**PROSPECTUS**
Dated: July 29, 2022
**Fixed Price Issue**
*(Please read section 26 and 32 of the Companies Act, 2013)*

# VEEKAYEM FASHION AND APPARELS LIMITED

Corporate Identification Number: U17120MH1985PLC037516

| REGISTERED OFFICE | CONTACT PERSON | TELEPHONE AND EMAIL | WEBSITE |
|---|---|---|---|
| 113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road, Goregaon East, Mumbai, Maharashtra, India – 400 063 | Gopika Singh, Company Secretary & Compliance Officer | **Telephone:** +91 22 4035 1481; **E-mail:** cs@vkmgroups.biz | www.vkmgroups.com |

PROMOTERS OF OUR COMPANY: KRISHANKANT GUPTA, VIJAYKUMAR GUPTA AND MADANLAL GUPTA

| DETAILS OF THE ISSUE | | | | |
|---|---|---|---|---|
| **TYPE** | **FRESH ISSUE SIZE (IN ₹ LACS)** | **OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)** | **TOTAL ISSUE SIZE** | **ELIGIBILITY** |
| Fresh Issue | ₹ 443.52 Lacs | Nil | ₹ 443.52 Lacs | THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED. |

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, 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 Issue Price is 2.8 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "*Basis for Issue Price*" beginning on Page No. 77 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued 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 this Prospectus. Specific attention of the investors is invited of the section titled *"Risk Factors"* beginning on Page No. 24 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through the Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated June 06, 2022 from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of the NSE. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited ("**NSE**").

**LEAD MANAGER: GYR CAPITAL ADVISORS PRIVATE LIMITED**

| LOGO | CONTACT PERSON | EMAIL & TELEPHONE |
|---|---|---|
| GYR Capital Advisors CLARITY \| TRUST \| GROWTH | Mr. Mohit Baid | **Telephone:** +91 87775 64648<br>**Fax:** N.A.<br>**E-mail:** info@gyrcapitaladvisors.com |

**REGISTRAR TO THE ISSUE: KFIN TECHNOLOGIES LIMITED**

| LOGO | CONTACT PERSON | EMAIL & TELEPHONE |
|---|---|---|
| KFINTECH EXPERIENCE TRANSFORMATION | Mr. M Murali Krishna | **Tel**: +91 40 6716 2222<br>**Fax**: +91 40 2343 1551<br>**Email**: veekayem.ipo@kfintech.com |

| ISSUE PROGRAMME | |
|---|---|
| **ISSUE OPENS ON: Friday, August 05, 2022** | **ISSUE CLOSES ON: Thursday, August 11,2022** |

**PROSPECTUS**
Dated: July 29, 2022
**Fixed Price Issue**
*(Please read section 26 and 32 of the Companies Act, 2013)*

# VEEKAAYEM FASHION AND APPARELS LIMITED

Our Company was originally incorporated as '*Veekayem Textile Mills Private Limited*' on September 17, 1985 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 13, 2018, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to *'Veekayem Textile Mills Limited'* and a fresh certificate of incorporation dated June 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. Subsequently, pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on August 18, 2018 the name of our Company was changed to *'Veekayem Fashion & Apparels Limited'* and a fresh certificate of incorporation dated October 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. The corporate identification number of our Company is U17120MH1985PLC037516. For further details please refer to chapter titled *"History and Certain Corporate Matters"* beginning on Page No. 132 of this Prospectus.

**Registered Office:** 113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road, Goregaon East, Mumbai, Maharashtra, India – 400 063;
**Telephone:** +91 22 4035 1481; **E-mail:** cs@vkmgroups.biz; **Website**: www.vkmgroups.com;
**Contact Person:** Gopika Singh, Company Secretary and Compliance Officer;
**Corporate Identity Number:** U17120MH1985PLC037516

**PROMOTERS OF OUR COMPANY: KRISHANKANT GUPTA, VIJAYKUMAR GUPTA AND MADANLAL GUPTA**

**INITIAL PUBLIC OFFER OF 15,84,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF VEEKAYEM FASHION AND APPARELS LIMITED (THE "COMPANY" OR "VFAL" OR "ISSUER") AT AN ISSUE PRICE OF ₹ 28/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 18/- PER EQUITY SHARE) FOR CASH, AGGREGATING ₹ 443.52 LACS ("PUBLIC ISSUE") OUT OF WHICH 80,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ 28/- PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 22.40 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 15, 04,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ 28/- PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 421.12 LACS IS HERE INAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.96% AND 25.60% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2) (b) (i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25.00% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER *"ISSUE PROCEDURE"* ON PAGE NO. 196 OF THIS PROSPECTUS.**

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to *"Issue Procedure"* on Page No. 196 of this Prospectus. A copy of Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.

## ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled *"Issue Procedure"* beginning on Page No. 196 of this Prospectus.

## RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, 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 Issue Price is 2.8 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "*Basis for Issue Price*" beginning on Page No. 77 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued 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 this Prospectus. Specific attention of the investors is invited of the section titled *"Risk Factors"* beginning on Page No. 24 of this Prospectus.

## ISSUER'S ABSOLUTE RESPONSIBILITY

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

## LISTING

The Equity Shares offered through the Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated June 06, 2022 from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of the NSE. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited ("**NSE**").

| LEAD MANAGER | REGISTRAR TO THE ISSUE |
|---|---|
| **GYR CAPITAL ADVISORS PRIVATE LIMITED**<br>428, Gala Empire, Near JB Tower,<br>Drive in Road, Thaltej, Ahmedabad -380 054,<br>Gujarat, India.<br>**Telephone:** +91 87775 64648<br>**Fax:** N.A.<br>**E-mail:** info@gyrcapitaladvisors.com<br>**Website:** www.gyrcapitaladvisors.com<br>**Investor grievance:** compliance@gyrcapitaladvisors.com<br>**Contact Person:** Mohit Baid<br>**SEBI Registration Number:** INM000012810 | **KFIN TECHNOLOGIES LIMITED**<br>*(Formerly known as Kfin Technologies Private Limited)*<br>Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana<br>**Contact Person** : M Murali Krishna<br>**Tel**: +91 40 6716 2222<br>**Fax**: +91 40 2343 1551<br>**Email**: veekayem.ipo@kfintech.com<br>**Investor grievance e-mail**: einward.ris@kfintech.com<br>**Website**: www.kfintech.com<br>**SEBI Registration No**. : INR000000221 |

## ISSUE PROGRAMME

| | |
|---|---|
| **ISSUE OPENS ON** | **Friday, August 05, 2022** |
| **ISSUE CLOSES ON** | **Thursday, August 11,2022** |

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

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

*The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.*

**General Terms**

| Term | Description |
|---|---|
| "Company", "our Company", "the Company", "the Issuer", "Veekayem" or "VFAL" | Veekayem Fashion and Apparels Limited, a company incorporated under the Companies Act, 1956, having its registered office at 113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road, Goregaon East, Mumbai, Maharashtra, India – 400 063.. |
| "we", "us", or "our" | Unless the context otherwise indicates or implies, refers to our Company. |

**Company Related Terms**

| Term | Description |
|---|---|
| Articles / Articles of Association / AoA | The Articles / Articles of Association of our Company, as amended from time to time. |
| Audit Committee | The committee of the Board of Directors constituted as our Company's audit committee in accordance with in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. For details, see "*Our Management*" on Page No. 135 of this Prospectus. |
| Auditor / Statutory Auditor/ Peer Review Auditor | Statutory and peer review auditor of our Company, namely, M/s. Mittal & Associates, Chartered Accountants. |
| Board / Board of Directors | Board of directors of our Company or a duly constituted committee thereof. |
| Chairman | The Chairman of our Board of Directors. |
| Chief Financial Officer / CFO | Hemant Kumar Gupta, the Chief Financial Officer of our Company. |
| Company Secretary and Compliance Officer | Gopika Singh, the Company Secretary and the Compliance Officer of our Company. |
| Corporate Social Responsibility Committee | The committee of the Board of directors constituted as our Company's corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see "*Our Management*" on Page No. 135 of this Prospectus. |
| Director(s) | The director(s) on the Board of our Company, unless otherwise specified. |
| Equity Shares | Equity shares of our Company of face value of ₹ 10/- each. |
| Executive Directors | Executive directors of our Company. |
| Group Companies | Companies (other than our Subsidiary) with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy. |
| Independent Director(s) | The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013. |

| Term | Description |
|---|---|
| Promoters | Promoters of our Company, namely Krishankant Gupta, Vijaykumar Gupta and Madanlal Gupta. For further details, please see the section entitled "*Our Promoters and Promoter Group*" on Page No. 147 of this Prospectus. |
| Key Managerial Personnel / KMP | Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the chapter titled "*Our Management*" on Page No. 135 of this Prospectus. |
| Managing Director/ MD | The Managing Director of our Company. |
| Materiality Policy | A policy adopted by our Company, in its Board meeting held on February 21, 2022, for identification of group companies, material creditors and material litigations. |
| Memorandum of Association / MoA | Memorandum of Association of our Company, as amended from time to time. |
| Nomination and Remuneration Committee | The committee of the Board of directors reconstituted as our Company's nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see "*Our Management*" on Page No. 135 of this Prospectus. |
| Non-executive Directors | Non-executive Directors of our Company. |
| Promoter Group | The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp.) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on Page No. 147 of this Prospectus. |
| Registered Office | The Registered Office of our Company situated at 113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road, Goregaon East, Mumbai, Maharashtra, India – 400 063. |
| Registrar of Companies/ Rock | Registrar of Companies, Mumbai. |
| Restated Financial Statements /Restated Financial Information | Restated financial statements of our Company for the Fiscals ended March 31, 2022, 2021 and 2020 and prepared in accordance with Ind AS and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations.<br><br>For details, refer section titled "*Financial Information*" on Page No. 154 of this Prospectus. |
| Shareholders | Shareholders of our Company, from time to time. |
| Stakeholders' Relationship Committee | The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, refer chapter titled "*Our Management*" on Page No. 135 of this Prospectus. |
| Whole-time Director | The whole-time director of our Company. |

**Issue Related Terms**

| Term | Description |
|---|---|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form. |
| Allot/Allotment/ Allotted | Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants. |
| Allotment Advice | Note, advice or intimation of Allotment sent to the Applicants 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 | The successful applicant to whom the Equity Shares are being / have been allotted. |
| Applicant(s) | Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant. |
| Application Supported by Blocked Amount/ASBA | An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue. |

| Term | Description |
|---|---|
| ASBA Account | A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form. |
| ASBA Applicant(s) | Any prospective investor who makes an Application pursuant to the terms of this Prospectus and the Application Form including through UPI mode (as applicable). |
| ASBA Form | An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicant and which will be considered as an application for Allotment in terms of the Prospectus. |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Banker(s) to the Issue | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being ICICI Bank Limited. |
| Basis of Allotment | Basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in "*Issue Procedure*" on Page No. 196 of this Prospectus. |
| Applicant(s) | Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant. |
| Bidding Centers | The centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Broker Centers | Broker centers notified by the Stock Exchanges, where Applicants can submit the ASBA Forms to a Registered Broker.<br><br>The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchange (www.nseindia.com) and are updated from time to time. |
| Client ID | Client identification number maintained with one of the Depositories in relation to demat account. |
| Collecting Depository Participant(s)/ CDP(s) | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the website of NSE (www.nseindia.com). |
| Controlling Branches | Such branches of SCSBs which coordinate Applications under the Issue with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable). |
| Designated CDP Locations | Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange. |
| Designated Date | The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue. |
| Designated Intermediaries / Collecting Agent | In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. |

| Term | Description |
|---|---|
| | In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.<br>In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. |
| Designated RTA Locations | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. Intermediaries or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | National Stock Exchange of India Limited |
| DP ID | Depository Participant's identity number |
| Designated Market Maker | Econo Broking Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations. |
| Draft Prospectus/DP | The Draft Prospectus dated March 09, 2022 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation. |
| Eligible NRI(s) | An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares. |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depositary participants. |
| Equity Listing Agreements | The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares. |
| Escrow Account(s) | Account(s) opened with the Banker(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement. |
| Escrow Agent | ICICI Bank Limited |
| Escrow Agreement | Agreement dated June 16, 2022 entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue and Sponsor Bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account. |
| Escrow Collection Bank | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being ICICI Bank Limited. |
| First Applicant | The Applicant whose name appears first in the Application Form or the Revision Form and in case of a joint Application and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof. |
| General Information Document/ GID | The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars The General Information Document shall be available on the website of the Stock Exchange and the LM. |
| Issue Agreement | The agreement dated February 21, 2022 between our Company and the LM, pursuant to which certain arrangements are agreed to in relation to the Issue. |

| Term | Description |
|---|---|
| Issue Price | The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under the Draft Prospectus and this Prospectus being ₹ 28/- per share. |
| Issue Proceeds | The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see "*Objects of the Issue*" on Page No. 72 of this Prospectus. |
| Issue/Issue Size | Initial Public Offering of 15, 84,000 Equity Shares of face value of ₹ 10/- each of our Company for cash at a price of ₹ 28/- each, aggregating ₹ 443.52 lacs. |
| Lead Manager/ LM | The lead manager to the Issue, being GYR Capital Advisors Private Limited. |
| Lot Size | The Market lot and Trading lot for the Equity Share is 4,000 and in multiples of 4,000 thereafter; subject to a minimum allotment of 4,000 Equity Shares to the successful applicants. |
| Market Maker | Market Maker of the Company, in this case being Econo Broking Private Limited. |
| Market Maker Reservation Portion | The Reserved portion of 80,000 Equity shares of ₹ 10/- each at an Issue Price of ₹ 28/- aggregating to ₹ 22.40 lacs for Designated Market Maker in the Public Issue of our Company. |
| Market Making Agreement | The Agreement among the Market Maker, the Lead Manager and our Company dated June 16, 2022. |
| Mobile App(s) | The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism. |
| Mutual Fund | A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended. |
| Net Proceeds | Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "*Objects of the Issue*" on Page No. 72 of this Prospectus. |
| Non-Institutional Applicant / Investors | All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs). |
| Non-Resident/ NR | A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs. |
| Prospectus | The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information. |
| Public Issue Account | Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date. |
| Public Issue Account Bank | A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being ICICI Bank Limited. |
| Qualified Foreign Investors / QFIs | Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI. |
| Qualified Institutional Buyers / QIBs | Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations. |
| Qualified Institutional Buyers/ QIBs | Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations. |
| Registered Brokers | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI. |
| Registrar Agreement | The registrar agreement dated February 21, 2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |

| Term | Description |
|---|---|
| Registrar and Share Transfer Agents/ RTAs | The registrar and the share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the website of NSE. |
| Registrar to the Issue / Registrar | KFin Technologies Limited |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000. |
| Revision Form | Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date. |
| Self-Certified Syndicate Banks or SCSBs | The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. |
| Sponsor Bank | A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being ICICI Bank Limited. |
| Stock Exchange | National Stock Exchange of India Limited. |
| Systemically Important Non-Banking Financial Companies | Systemically important non-banking financial company as defined under Regulation 2(1) (iii) of the SEBI ICDR Regulations. |
| TRS/Transaction Registration Slip | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application. |
| Underwriter(s) | GYR Capital Advisors Private Limited |
| Underwriting Agreements | The agreement dated June 16, 2022 entered into among the Underwriters and our Company prior to the filing of this Prospectus with the RoC. |
| Unified Payment Interface or UPI | Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account. |
| UPI | Unified Payment Interface. |
| UPI Circulars / SEBI UPI Circulars | SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard. |
| UPI ID | ID created on UPI for single-window mobile payment system developed by the NPCI. |
| UPI Mandate Request | A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the |

| Term | Description |
|---|---|
| | Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. |
| UPI Mechanism | Process for applications by RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars. |
| UPI PIN | Password to authenticate UPI transaction. |
| Wilful Defaulter | A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such. |
| Working Day | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of the Issue Price; and (b) Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars. |

**Conventional and General Terms and Abbreviations**

| Term | Description |
|---|---|
| AGM | Annual General Meeting |
| AIF(s) | Alternative Investment Funds |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate. |
| Category I AIF | AIFs which are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations. |
| Category II AIF | AIFs which are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations. |
| Category III AIF | AIFs which are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulation. |
| Category I FPI(s) | FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations. |
| Category II FPI(s) | FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations |
| Category III FPIs | FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and 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. |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970. |
| Companies Act | Companies Act, 1956 and / or the Companies Act, 2013 as applicable. |
| Companies Act 1956 | Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections). |
| Companies Act 2013 | Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder. |
| Consolidated FDI Policy | The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time. |
| CRAR | Capital to Risk Asset Ratio |
| CSR | Corporate social responsibility |
| Depository(ies) | NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |

| Term | Description |
|---|---|
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI |
| DP ID | Depository Participant's Identity Number |
| DPIIT | Department for Promotion of Industry and Internal Trade, Ministry of Term Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| EGM | Extraordinary General Meeting |
| EMERGE | EMERGE Platform of National Stock Exchange of India Limited |
| EPF Act | Employees' Provident Fund and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| ESI Act | Employees' State Insurance Act, 1948 |
| FCNR Account | Foreign Currency Non Resident (Bank) account established in accordance with the FEMA |
| FDI | Foreign direct investment |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended |
| Financial Year/Fiscal | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPIs | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any 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 Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GAAR | General Anti-Avoidance Rules |
| GDP | Gross Domestic Product |
| GoI / Government | The Government of India |
| GST | Goods and services tax |
| HUF(s) | Hindu Undivided Family(ies) |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| Income Tax Act / IT Act | Income Tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Ind AS Rules | Companies (Indian Accounting Standards) Rules, 2015, as amended |
| India | Republic of India |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| INR or ₹ or Rs. Or Indian Rupees | Indian Rupee, the official currency of the Republic of India. |
| IPO | Initial public offering |
| IRDAI | Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999 |
| IRR | Internal rate of return |
| IST | Indian Standard Time |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016 |
| ISIN | International Securities Identification Number |
| IT | Information Technology |
| Lacs | Lakhs |
| LIBOR | London Inter-Bank Offer Rate |

| Term | Description |
|---|---|
| MCA | The Ministry of Corporate Affairs, GoI |
| Mn / mn | Million |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| N.A. or NA | Not Applicable |
| NACH | National Automated Clearing House, a consolidated system of ECS. |
| NAV | Net Asset Value |
| NECS | National Electronic Clearing Services |
| NEFT | National Electronic Fund Transfer |
| NRO | Non-resident ordinary account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | 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 was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue. |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number |
| PAT | Profit after tax |
| PIO | Person of India Origin |
| Payment of Bonus Act | Payment of Bonus Act, 1965 |
| Payment of Gratuity Act | Payment of Gratuity Act, 1972 |
| RBI | The Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| Regulation S | Regulation S under the Securities Act |
| RTI | Right to Information, in terms of the Right to Information Act, 2005 |
| Rule 14A | Rule 144A under the Securities Act |
| ₹/Rs./ Rupees/ Indian Rupees | The lawful currency of India |
| SCRA | Securities Contract (Regulation) Act, 1956 |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI Depository Regulations | Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI Ind AS Transition Circular | SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Securities Act | The United States Securities Act of 1933. |
| STT | Securities Transaction Tax |
| State Government | The government of a state in India |

| Term | Description |
|---|---|
| Trademarks Act | Trademarks Act, 1999 |
| TDS | Tax deducted at source |
| US$/ USD/ US Dollar | United States Dollar, the official currency of the United States of America |
| USA/ U.S./ US | United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |
| VCFs | Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| w.e.f. | With effect from |
| Year/Calendar Year | Unless context otherwise requires, shall refer to the twelve month period ending December 31 |

**Industry Related Terms**

| Term | Description |
|---|---|
| Covid-19 | Coronavirus Disease |
| FDI | Foreign Direct Investment |
| GDP | Gross Domestic Product |
| IMF | International Monetary Fund |
| U.S. | United States of America |
| UK | United Kingdom |
| US$ | United States Dollar |

Notwithstanding the foregoing, terms in "*Description of Equity Shares and Terms of Articles of Association*", "*Statement of Tax Benefits*", "*Industry Overview*", "*Key Industrial Regulations and Policies*", "*Financial Information*", "*Outstanding Litigation and Material Developments*" and "*Issue Procedure*" on Page Nos. 247, 80, 83, 121, 154, 170 and 196, respectively of this Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

### Certain Conventions

All references to "India" contained in this Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled "*Financial Information*" on Page No. 154 of this Prospectus.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Statements of our Company for the Fiscals ended March 31,2022 ,2021 and 2020 which comprise restated summary statement of assets and liabilities, the restated summary statement of profit and loss, the restated summary statement of cash flow and restated summary statement of changes in equity together with the annexures and notes thereto and the examination report thereon, as compiled from the Indian Accounting Standard (Ind AS) financial statements for respective period/year and in accordance with the requirements provided under the provisions of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "*Reports in Company Prospectuses (Revised 2019)*" issued by ICAI.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in *"Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on Page Nos. 24, 109 and 160, respectively of this Prospectus, and elsewhere in this Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with Ind AS, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on Page Nos. 24, 83 and 109, respectively this Prospectus.

### Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and

- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in this Prospectus in "lacs" units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1, 00,000 and one million represents 10, 00,000.

**Exchange rates**

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

| Currency | Exchange rate as on | | |
|---|---|---|---|
| | **March 31, 2022** | **March 31, 2021** | **March 31, 2020** |
| 1 USD | 75.80 | 73.53 | 75.38 |

*(Source: RBI reference rate)*

*(Source: www.rbi.org.in and www.fbil.org.in)*

**Industry and Market Data**

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

The extent to which the market and industry data used in this 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on Page No. 77 of this Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the LM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on Page No. 24 of this Prospectus.

## FORWARD LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- A reduction in the demand of the products in which we deal in and/or competing products gaining wider market acceptance;
- Loss of one or more of our key intermediary or trader or customer;
- An increase in the productivity and overall efficiency of our competitors;
- An adverse change in the regulations governing our products and the products of our customers;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Our ability to successfully execute our expansion strategy in a timely manner or at all;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our reliance on third party suppliers for our products;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Promoters, promoter group and Group Companies and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/works contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on Page Nos. 24, 109 and 160, respectively of this 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 gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoters, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoters and the Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

## OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including the sections entitled "*Risk Factors*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*", "*Our Promoters and Promoter Group*", "*Financial Information*", "*Objects of the Issue*", "*Our Business*", "*Issue Procedure*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on Page Nos. 24, 83, 170, 147, 154, 72, 109, 196 and 247, respectively of this Prospectus.

### 1. Summary of Industry

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

For further details, please refer to the chapter titled "*Industry Overview*" beginning on Page No. 83 of this Prospectus.

### 2. Summary of Business

We are engaged in the business of weaving and garment manufacturing. We are majorly engaged in the business of manufacturing for various brands, however we also cater to exports and local markets in customized designs as requested by our clients and customers in textile and apparel industry.

Our Company deals in a range of products like Shirting fabrics, Suiting Fabrics, Trouser fabrics, jacketing fabrics, format trousers, cotton trousers and other accessories etc. Our extensive product portfolio of 100% Cotton – Lycra and Non-Lycra, Giza, Supima, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen.

For further details, please refer to chapter titled "*Our Business*" beginning on Page No. 109 of this Prospectus.

### 3. Promoters

Krishankant Gupta, Vijaykumar Gupta and Madanlal Gupta are the Promoters of our Company. For further details please refer to the chapter titled "*Our Promoters and Promoter Group*" beginning on Page No. 147 of this Prospectus.

### 4. Issue

Initial Public Offer of 15, 84,000 Equity Shares of face value of ₹ 10/- each of the Company for cash at a price of ₹ 28/- per Equity Share (including a share premium of ₹ 18/- per Equity Share) aggregating ₹ 443.52 lacs. For further details, please refer to the chapter titled "*The Issue*" beginning on Page No. 45 of this Prospectus.

### 5. Objects of the Issue

(₹ *in lacs*)

| Sr. No. | Particulars | Amount |
|---|---|---|
| 1. | Working Capital Requirements | 400.00 |
| 2. | General corporate purposes | 1.02 |

For further details, please see chapter titled "*Objects of the Issue*" beginning on Page No. 72 of this Prospectus.

### 6. Shareholding of Promoters and Promoter Group

Following are the details of the pre-Issue shareholding of Promoters and Promoter Group:

| Sr. No. | Name of the Shareholders | Pre-Issue | | Post-Issue | |
|---|---|---|---|---|---|
| | | Number of Equity Shares | % of Pre-Issue Equity Share Capital | Number of Equity Shares | % of Post-Issue Equity Share Capital |
| ***Promoters*** | | | | | |
| 1. | Krishankant Gupta | 4,05,307 | 9.44% | 4,05,307 | 6.90% |
| 2. | Vijaykumar Gupta | 3,97,318 | 9.26% | 3,97,318 | 6.76% |
| 3. | Madanlal Gupta | 4,59,406 | 10.70% | 4,59,406 | 7.82% |
| ***Promoter Group*** | | | | | |
| 4. | Mahesh Kant Gupta | 4,45,307 | 10.38% | 4,45,307 | 7.58% |
| 5. | Surendra Gupta | 4,05,307 | 9.44% | 4,05,307 | 6.90% |
| 6. | Shashi Gupta | 55,500 | 1.29% | 55,500 | 0.94% |
| 7. | Shakuntaladevi Gupta | 48,144 | 1.12% | 48,144 | 0.82% |
| 8. | Satish Gupta | 35,160 | 0.82% | 35,160 | 0.60% |
| 9. | Sachin Kumar Gupta | 48,550 | 1.13% | 48,550 | 0.83% |
| 10. | Mithleshdevi Gupta | 31,000 | 0.72% | 31,000 | 0.53% |
| **Total** | | **23,30,999** | **54.31%** | **23,30,999** | **39.67%** |

For further details, please refer to the chapter titled "*Capital Structure*" beginning on Page No. 57 of this Prospectus.

**7. Summary of Restated Financial Information**

Following are the details as per the Restated Financial Information as at and for the Fiscals ended March 31, 2022, 2021 and 2020

*(₹ in lacs)*

| S. No. | Particulars | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|---|---|---|---|
| 1. | Share Capital | 429.17 | 429.17 | 429.17 |
| 2. | Net Worth | 3095.28 | 2,904.90 | 2,869.65 |
| 3. | Revenue from operations | 14,900.64 | 7,655.73 | 21,551.64 |
| 4. | Profit after Tax | 188.54 | 35.25 | 109.10 |
| 5. | Earnings per Share | 4.39 | 0.82 | 2.54 |
| 6. | Net Asset Value per equity share | 72.12 | 67.69 | 66.86 |
| 7. | Total borrowings | 8159.92 | 8,062.95 | 7,211.21 |

For further details, please refer to the section titled "*Financial Information*" beginning on Page No. 154 of this Prospectus.

**8. Auditor qualifications which have not been given effect to in the Restated Financial Information**

The Restated Financial Information does not contain any qualification requiring adjustments by the Auditors.

**9. Summary of Outstanding Litigation**

A summary of the pending tax proceedings and other material litigations involving our Company and our Promoters is provided below:

**a) Litigations involving our Company**

*i) Cases filed against our Company:*

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lacs) |
|---|---|---|
| Criminal matters | - | - |
| Direct Tax matters | 13 | 17.88 |
| Indirect Tax matters | 2 | 63.59 |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | 1 | Not identifiable |

**To the extent quantifiable*

ii) *Cases filed by our Company*:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lacs) |
|---|---|---|
| Criminal matters | - | - |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Material civil litigations | 1 | 3.92 |

**To the extent quantifiable*

**b) Litigations involving our Directors**

*i) Cases filed against our Directors:*

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lacs) |
|---|---|---|
| Criminal matters | - | - |
| Direct Tax matters | 8 | 1.82 |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

ii) *Cases filed by our Directors*:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lacs) |
|---|---|---|
| Criminal matters | - | - |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Material civil litigations | - | - |

**c) Litigations involving our Promoters**

*i) Cases filed against our Promoters:*

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lacs) |
|---|---|---|
| Criminal matters | - | - |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

ii) *Cases filed by our Promoters*:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lacs) |
|---|---|---|
| Criminal matters | - | - |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Material civil litigations | - | - |

For further details, please refer to the chapter titled "*Outstanding Litigations and Material Developments*" beginning on Page No. 170 of this Prospectus.

**10. Risk Factors**

Please refer to the section titled "*Risk Factors*" beginning on Page No. 24 of this Prospectus.

**11. Summary of Contingent Liabilities**

Following are the details as per the Restated Financial Information as at and for the Fiscals ended March 31, 2022, 2021 and 2020:

| Particulars | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| NIL | | | |

**12. Summary of Related Party Transactions**

Following are the details as per the Restated Financial Information as at and for the Fiscals ended March 31, 2022, 2021 and 2020.

*(₹ in lacs)*

| S. No. | Nature of transaction | Year ended | Director / Key Managerial Personnel | Person with Interest by Key Managerial Personnel | Others | Total |
|---|---|---|---|---|---|---|
| 1. | Remuneration | March 31, 2022 | 41.64 | 192.90 | - | 234.54 |
| | | March 31, 2021 | 110.76 | 50.54 | - | 161.30 |
| | | March 31, 2020 | 105.30 | 49.02 | - | 154.32 |
| | | | | | | |
| 2. | Loan given/repaid | March 31, 2022 | - | - | 161.95 | 161.95 |
| | | March 31, 2021 | - | - | 257.54 | 257.54 |
| | | March 31, 2020 | - | - | 114.16 | 114.16 |
| | | | | | | |
| 3. | Loan Received | March 31, 2022 | - | 75.83 | - | 75.83 |
| | | March 31, 2021 | - | 196.00 | - | 196.00 |
| | | March 31, 2020 | - | 466.37 | - | 466.37 |
| | | | | | | |
| 4. | Interest Paid | March 31, 2022 | - | - | 58.94 | 58.94 |
| | | March 31, 2021 | - | - | 63.40 | 63.40 |
| | | March 31, 2020 | - | - | 35.24 | 35.24 |
| | | | | | | |

For further details, please refer *"Annexure XXXIV: Related Party Disclosures"* from the chapter titled *"Restated Financial Information"* beginning on Page No. 154 of this Prospectus.

**13. Financials Arrangements**

There are no financing arrangements whereby the Promoters, members of the Promoter Group, the Directors of our Company 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 Prospectus.

**14. Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Prospectus**

The details of the weighted average price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Prospectus is as follows:

| Name of Promoters | No. of shares acquired in last one year from the date of this Prospectus | Weighted Average Price (in ₹) |
|---|---|---|
| Krishankant Gupta | N.A. | N.A. |
| Vijaykumar Gupta | N.A. | N.A. |
| Madanlal Gupta | N.A. | N.A. |

**15. Average Cost of Acquisition of Shares for Promoters[#]**

The average cost of acquisition of Shares for the Promoters is as follows:

| Name of Promoters | No. of shares held | Average Cost of Acquisition (in ₹ ) |
|---|---|---|
| Krishankant Gupta | 4,05,307 | 74.04 |
| Vijaykumar Gupta | 3,97,318 | 74.89 |
| Madanlal Gupta | 4,59,406 | 84.98 |

*[#]Average cost of acquisition of our Promoters is derived from affidavits received in this regard from our Promoters. For further details, please refer Risk Factor No. 42 under section titled "Risk Factors" beginning on Page No. 24 of this Prospectus.*

**16. Pre-IPO Placement**

Our Company does not contemplate any issuance or placement of Equity Shares in this Issue.

**17. Issue of equity shares made in last one year for consideration other than cash**

Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Prospectus.

**18. Split or consolidation of Equity Shares in the last one year**

No split or consolidation of equity shares has been made in the last one year prior to filing of this Prospectus.

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Potential investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment.*

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with chapters titled "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Restated Financial Information" beginning on Page Nos. 109, 83, 160 and 154 respectively as well as the other financial and statistical information contained in this Prospectus.*

*In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved. Potential investors should also consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.*

*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. Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the Fiscals ended March 31,2022 ,2021 and 2020 included herein is derived from the Restated Financial Statements, included in this Prospectus. For further information, please refer the section titled "Financial Information" beginning on Page No. 154 of this Prospectus.*

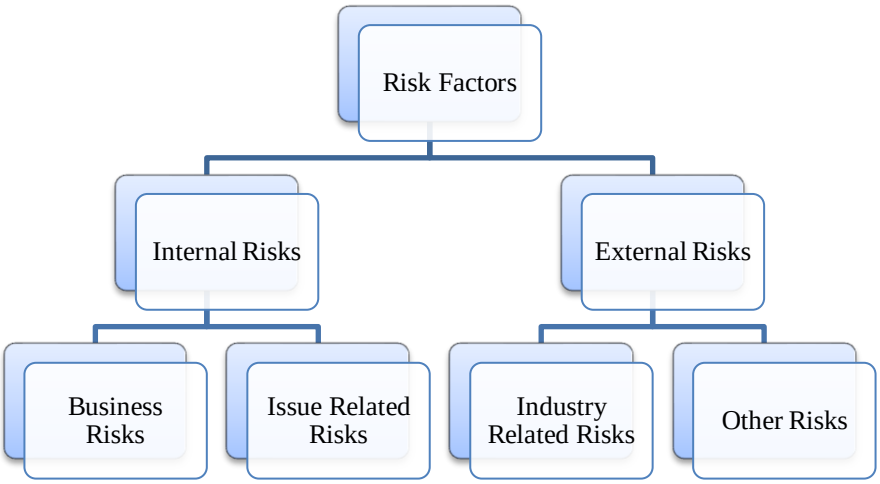
*This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For details, please refer the chapter titled "Forward Looking Statements" beginning on Page No. 17 of this Prospectus.*

*Unless otherwise indicated or the context otherwise requires, in this section, any reference to "the Company", "our Company", "we", "us" and "our" refers to Veekayem Fashion and Apparels Limited.*

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

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

*The risk factors are classified as under for the sake of better clarity and increased understanding:*




## INTERNAL RISK FACTORS

1. ***There are outstanding legal proceedings involving our Company, Directors and Promoters which, if determined adversely, may adversely affect our business and financial condition.***

   There are outstanding litigations involving our Company, Directors and Promoters. Any adverse outcome in any of these proceedings may adversely affect our results of operations and financial condition. Our Company, Directors and Promoters are involved in certain outstanding legal proceedings, which are pending at different levels of adjudication at different forum. Brief details of such outstanding litigation are as follows:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lacs) |
|---|---|---|
| **Cases filed against our Company** | | |
| Criminal matters | - | - |
| Direct Tax matters | 13 | 17.88 |
| Indirect Tax matters | 2 | 63.59 |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | 1 | Not identifiable |
| **Cases filed by our Company** | | |
| Criminal matters | - | - |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Material civil litigations | 1 | 3.92 |
| **Cases filed against our Directors** | | |
| Criminal matters | - | - |
| Direct Tax matters | 8 | 1.82 |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |
| **Cases filed by our Directors** | | |
| Criminal matters | - | - |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Material civil litigations | - | - |
| **Cases filed against our Promoters** | | |
| Criminal matters | - | - |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lacs) |
|---|---|---|
| **Cases filed by our Promoters** | | |
| Criminal matters | - | - |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

**Note:** The amounts may increase on account of additional interest / other charges being levied by the concerned authorities which are unascertainable as on the date of this Prospectus.

For further details, please refer the chapter titled *"Outstanding Litigations and Material Developments"* beginning on Page No. 170 of this Prospectus. We cannot assure you that these legal proceedings will be decided in favour of our Company, Directors and Promoters, as the case may be, or that no further liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable, on the basis of documents available, and include amounts claimed jointly and severally. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition.

***2. We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals to operate our business, and if we fail to do so in a timely manner or at all, then our business, financial conditions, results of operations, and cash flows may be adversely affected.***

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour wherein we are required to obtain and maintain various regulatory approvals and registrations for our operations. Certain of these approvals, are granted for a limited duration, and are required to be renewed or extended from time to time upon expiry.

There can be no assurance that these relevant authorities will issue such permits or approvals, or renewals thereof, in the time frame anticipated by us. While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are yet to receive or apply for certain approvals, licenses, registrations, permits or renewals. For example, (i) NOC for Ground Water Extraction for Factory unit; for further details, please refer the chapter titled *"Government and Other Approvals"* beginning on Page No. 175 of this Prospectus. Carrying out business activities without obtaining necessary statutory and regulatory permits and approvals may lead to suspension or permanent closure of such business activities and may also attract costs, penal actions and other legal actions against our Company or its officers, which may adversely affect our business, financial conditions, results of operations, and cash flows.

***3. Our business is dependent on the adequate and uninterrupted supply of electrical power and water at a reasonable cost. Our Company does not have suitable power back-up to meet power failure exigencies. Failure on account of unavailability of electrical power and water may restrict us in utilizing our full capacity and, hence, may impact our business and results of operation.***

Adequate and cost-effective supply of electrical power and water is critical to our operations, which entails significant consumption of electrical power and water. Our manufacturing process requires uninterrupted supply of electrical power and water in order to ensure that we are able to manufacture our products. The shortage or non-availability of electrical power and water may adversely affect our manufacturing process and have an adverse impact on our results of operations and financial condition. Currently, we source our power requirements from the state electricity board. There can be no assurance that electricity supplied will be sufficient to meet our requirements or that we will be able to procure adequate and interrupted power supply in the future at a reasonable cost. If the supply of electricity is not available for any reason, we will need to rely on alternative sources. However, our Company does not have suitable power back-up to meet power failure exigencies such as diesel generator sets. Any failure on our part to obtain alternate sources of electricity, in a timely manner, and at an acceptable cost, may have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, if the per unit cost of electricity is increased by the state electricity board, our power cost will increase and it may not be possible to pass on any increase in our power cost to our customers, which may adversely affect our profit margins. Additionally, we require water for process in manufacturing of our products and for human consumption. Any disruption / non availability of power and water or any failure on our part to arrange alternate sources of electricity and water supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on operations and results of our Company.

***4. Our manufacturing facilities are located on leased and licensed premises and consequently, we are required to comply with certain requirements given under lease and license agreements. The license agreements for our manufacturing facilities may be inadequately stamped.***

Our manufacturing facilities are situated on premises that we have taken on lease. Although, we have entered long term lease for our manufacturing facilities, however, the lease is subject to certain compliances failing which the lessor shall have a right to terminate the lease of manufacturing facilities.

We cannot assure you that aforesaid lease and license in future will not be terminated by the lessors/ licensors and will be renewed by our Company on expiry of license, as the case may be. On termination, we may also be required to vacate the premises at short notice period prescribed in the lease and license agreements, and we may not be able to obtain alternate location, in a short span of time. Further, we may be required to re-negotiate terms and conditions of such premises during their tenure. Any adverse impact on the ownership rights of our landlords may impede our effective future operations. Occurrence of any of the above events may have a material adverse effect on our business, results of operations and financial condition.

Further, the above-mentioned license agreements executed by our Company may not be stamped adequately. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty may adversely impact the continuance of our activity from such premises.

***5. There have been certain inadvertent inaccuracies, delays and non-compliances with respect to certain regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business and financial condition may be adversely affected.***

In the past, there have been certain instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act with RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company. Further, there have been instances of erroneous filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act by our Company. For instance: (i) incorrect filing of Form 2 for Allotment; (ii) incorrect filing of Form MGT-7 for Annual Return, (iii) incorrect filing of Form ADT-1 for appointment of statutory auditor of the Company and (iv) delay in filing of various Forms with Registrar of Companies.

No show cause notice in respect to the above has been received by our Company till date, no penalty or fine has been imposed by any regulatory authority in respect to the same. We cannot assure you that such inaccuracies, delays and non-compliances will not happen in the future and that our Company will not be subject to any action, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in, or non-availability of, or delays in filing of, any of its secretarial records and filings, which may adversely affect our operations and financial position.

***6. Certain records and regulatory filings of our Company are not traceable.***

Our Company does not have access to certain filings pertaining to certain historical secretarial information in relation to certain disclosures in this Prospectus. These include, requisite filings required to be made with the RoC such as *inter alia* (i) Form 1, Form 1A, Form 1B filed at the time of incorporation and change of name; (ii) Form 2 for allotments; (iii) Form 32 for appointment and regularization of directors; (iv) Form 23ACA; (v) Form 20B; (vi) Form 23B for appointment of auditor and (vii) Form 5 for increase in share capital.

While we believe that the forms were duly filed on a timely basis, we have not been able to obtain copies of these documents from the Registrar of Companies, or otherwise, which has been certified by M/s H. Maheshwari & Associates, Company Secretaries in Practice vide their search report dated March 03, 2022. We cannot assure you that these form filings will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

***7. We derive a significant portion of our revenue from sales to our top 10 customers. Any failure to maintain relationships with such customers could adversely affect our revenue and financial condition.***

Our top 10 customers account for a substantial portion of our sales, and consequently our revenue, and we expect that such key customers will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. Our total sales to our top 10 customers are 67.78% for the period ended March 31, 2022 and 57.22% for Fiscal 2021. Our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Since we are largely dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have a material adverse effect on our business, financial condition, results of operations and future prospects. We have not entered into formal arrangements or contracts with our customers to purchase the products from us. We work on purchase order basis with our customers based on their demand. Since we have no formal arrangements with our customers, they are not contractually obligated to purchase minimum quantity of products from us and may choose to purchase the products from our competitors. We cannot assure you that we will be able to continue to retain these customers on terms that are commercially acceptable to us, or at all.

***8. Applicability of higher tax rate on our Company could provide a competitive advantage to our new competitors.***

From assessment year beginning on or after April 1, 2020, the Government of India, in order to incentivise manufacturing businesses in India has provided an option to the domestic companies to opt for a reduced income-tax rate of 15% in case they fulfil the conditions specified in Section 115BAB of the Income Tax Act, 1961. The main condition being the company must be incorporated on or after October 1, 2019 and that company is engaged in no other business other than business of manufacturing or production of any article or thing.

We have opted for the tax rate of 22% specified under Section 115BAA of the Income Tax Act, 1961. The abovementioned new Section 115BAB of the Income Tax Act, 1961 having 15% tax rate is not applicable on us as we do not fulfil the condition of a newly set up manufacturing unit. This difference in tax rates specified in Section 115BAA and Section 115BAB could in future, provide a tax advantage to our competitors who set up their businesses on or after October 1, 2019 and opt for reduced income-tax rate of 15%. Thus, this could adversely affect the competitiveness of the Company.

***9. Our Promoters and Directors are also interested as a shareholder or director or partner in Promoter Group entities that are engaged in the business similar to our Company. In addition, Promoter Group entities are engaged in the business similar to our Company. This may lead to conflict of interest of our Promoter Group entities with our Company.***

The predominant business activity of our Company is manufacturing of grey fabrics and readymade cloths. Our Promoters and Directors are interested as a shareholder or director or partner in Promoter Group entities. The object clause or constitutional documents of our Promoter Group entities, permits them to undertake similar business to that of business of our Company. Accordingly, certain Promoter Group entities of the Company are engaged in the similar line of business which is or may be in conflict of interest with the business of our Company. This may lead to loss of profit/revenue of our Company and could adversely impact our business and results of operations.

***10. Our Promoters, Directors and KMPs may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters, Directors and KMPs may be deemed to be interested to the extent of the Equity Shares held by them or their relatives or in our Company. For further details, please refer to the chapters titled *"Our Management"* and *"Our Promoters and Promoter Group"*, beginning on Page No. 135 and 147, respectively of this Prospectus.

***11. Our success largely depends upon the knowledge and experience of our Key Managerial Personnel, namely Mr. Krishankant Gupta, Mr. Vijaykumar Gupta and Mr. Hemant Kumar Gupta. Loss of any of such Key Managerial Personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

The growth and success of our Company's future significantly depends upon the experience and continued services and the management skills of our Key Managerial Personnel (namely, Mr. Krishankant Gupta, Mr. Vijaykumar Gupta and Mr. Hemant Kumar Gupta) and the guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and their inputs are valuable for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Any attrition of such experienced Key Managerial Personnel, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel who leave. If we are unable to motivate and retain such Key Managerial Personnel and thereby lose the services of such highly skilled Key Managerial Personnel may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled *"Our Management"* beginning on Page No. 135 of this Prospectus.

***12. We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. Our agreements with 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 with certain banks for short-term and long-term borrowings. As on March 31, 2022, we had total outstanding borrowings of ₹ 8159.92 lacs, certain of which contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, change in shareholding, not approaching the capital markets for mobilizing additional resources either in the form of debt or equity, changing the management, dilution of Promoters' shareholding and undertaking any new project, implementing any scheme of expansion/diversification or capital expenditure or acquiring fixed assets (except normal replacements) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.

Further, in terms of security, we have created a mortgage over our immovable properties and hypothecation of our movable properties. Additionally, we are required to, among others, to maintain the prescribed debt service coverage ratio, total debt and debt to equity ratio. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. 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. For details of these covenants, please refer to the chapter titled *"Financial Indebtedness"* beginning on Page No. 155 of this Prospectus.

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. Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise could lead to a termination of our credit facilities, foreclosure on our assets, acceleration of all amounts due under such manufacturing facilities or trigger

cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

***13. We expect the COVID-19 pandemic may have material adverse effects on our results of operations, financial condition, and/or our cash flows.***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the textile industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the recent wave of the virus, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

During the first wave in India in first quarter of FY 2020-21, our manufacturing facilities were severely affected by government restrictions. During the second wave, the lockdown did not halt operations within our factories after Central Government lifted partial restrictions. However, in case due to recent third or consequent wave of COVID-19, if another lockdown is imposed in the country, we may face huge losses and our business operations could be severely impacted. Any such interruptions or disruptions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

The extent to which the COVID-19 pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and severity of the pandemic, the nature and scope of government actions to contain the pandemic or address its impact, and how quickly and to what extent normal economic and operating conditions can resume, other geographies affected and the impact of the pandemic on economic activity in India and globally. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Given the rapidly changing implications of the spread of COVID-19, it is difficult to assess its impact on our business and results of operations at this time and we may not be able to quantify or accurately predict the same.

***14. Our Promoters and Promoter Group will continue to retain majority shareholding in our Company after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

As on date of this Prospectus, our Promoters and Promoter Group hold approximately 54.31% of the share capital of our Company. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters and promoter Group as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour.

***15. Industry information of the Company included in this Prospectus has been derived from different industrial association and other governmental sources and reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. We have referred different industrial association and other governmental sources and reports for purposes of inclusion of such information in this Prospectus. This data is subject to various limitations and based upon certain assumptions that are subjective in nature. None of our Company, the Lead Manager or any other person connected with the Issue has independently verified such information. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying

assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the Lead Manager or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, there is no assurance that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

***16. We are subject to risks resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations. Further, a decline in India's foreign exchange reserves and higher interest rates in the Indian economy could also adversely affect us.***

We derive a significant portion of our revenue from export outside India that are denominated in foreign currency. Changes in currency exchange rate therefore influence our results of operations. The exchange rate between the Indian Rupee and foreign currencies, primarily the U.S. dollar, has fluctuated in the past and our results of operations may be impacted by such fluctuations. A decline in India's foreign exchange reserves could impact the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition. A future material decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy which in turn, could adversely affect our business and future financial performance.

***17. We are 100% dependent on third-party transportation providers for the supply of raw materials and delivery of our finished products.***

Our success depends on the supply and transport of the various raw materials required for our manufacturing facilities and of our finished products from our manufacturing facilities to our customers and distributors, which are subject to various uncertainties and risks. Our company do not have our own transportation facility and we are 100% dependent on third-party transportation providers for the delivery of our products while transportation restrictions, if any, could have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of raw materials and products which may also affect our business and results of operations negatively. In the event we fail to maintain a sufficient volume of raw materials and delivery of such materials to us is delayed, we may be unable to meet our purchase orders in a timely manner or at all, which may result in loss of sales opportunities that our competitors may capitalize on, thereby adversely affecting our business, financial condition, results of operations, and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers and distributors. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

***18. Our business requires significant amount of working capital. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires significant amount of working capital for carrying-out its activities. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it

could materially and adversely affect our business and results of operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. For further information on the working capital facilities currently availed of by us, please refer to the chapter titled *"Financial Indebtedness"* beginning on Page No. 155 of this Prospectus.

19. ***The objects of the Issue include funding working capital requirements of our Company, which are based on certain assumptions and estimates and such working capital requirements may not be indicative of the actual requirements of our Company. Additionally, our financing requirements and the deployment of the net proceeds of the Issue are based on management estimates and have not been independently appraised.***

    Our funding working capital requirements, financing requirements and the deployment of the net proceeds of the Issue are based on management estimates and certain assumptions in relation to inter alia cost and holding periods of inventories of raw materials and finished goods as well as capacity utilisation and have not been appraised by any bank or financial institution. In view of the highly competitive nature of the industry in which we operate, factors beyond our control including force majeure conditions and availability of funding from banks or financial institutions, we may have to revise our management estimates from time to time and consequently our financing requirements and the expected deployment of the net proceeds of the Issue may also change. For further details, please refer to the chapter titled *"Objects of the Issue"* beginning on Page No. on page 19 of this Prospectus.

20. ***Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval, which may restrict our ability to respond to any change in our business or financial condition and thereby, may adversely affect our business and results of operations.***

    Our Company intends to use Net Proceeds raised pursuant to the Issue in the manner set out in the chapter titled *"Objects of the Issue"* beginning on Page No. 72 of this Prospectus. In accordance with Section 27 of the Companies Act, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of Shareholders of our Company through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the Shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the Shareholders of our Company may adversely affect our business or operations. 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 Issue, if any, 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 unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

21. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

    We have not declared any dividend during the current Fiscal and in the last three Fiscals. For further information, please refer to the chapter titled *"Dividend Policy"* beginning on Page No. 153 of this Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

***22. We may be unable to attract and retain employees with the requisite skills, expertise and experience, which would adversely affect our operations, business growth and financial results.***

We rely on the skills, expertise and experience of our employees to provide quality services to our customers. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in the textile industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnel or any material increase in labour costs as a result of the shortage of skilled labour, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results. Further, if we fail to identify suitable replacements of our departed staff, our business and operation could be adversely affected and our future growth and expansions may be inhibited.

***23. We have not entered into any technical support service for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.***

Our manufacturing processes involve use of technical equipment and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service agreements with any competent third party. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and results of operations.

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amount outstanding and payable by us as secured loans were ₹ 6964.17 Lakh as on March 31, 2022. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, security interest on our properties may be invoked by lenders, which in turn could have significant adverse impact on business, financial condition or results of operations. For further information, please refer to the chapter titled *"Financial Indebtedness"* beginning on Page No. 155 of this Prospectus.

Though the above orders have no effect and relevance as on date of this Prospectus, however, we cannot guarantee that such non-compliances and violations will not take place and the same if occurred, may affect our goodwill and future prospects.

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

Our Company has entered into transactions with our Promoters, Directors and Promoter Group. While we believe that most of such transactions have been conducted at arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Such related party transactions may potentially involve conflicts of interest. Furthermore, it is likely that we enter into related party transactions in the future as well.

There can be no assurance that any transaction, individually or in aggregate, will always be in the best interests of our Shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details on the transactions entered by us, please refer to the chapter titled *"Restated Financial Information"* beginning on Page No. 154 of this Prospectus.

***26. 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, and loss-in-transit for our products, accidents and natural disasters. The policies insure us against loss or damage caused by burglary, fire, earthquake etc. and insure inter alia our godown, plant and machinery, accessories, furniture, fixture and fittings, goods, etc. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. 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. Further, there can be no assurance that any claim under the insurance policies

maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

***27. Our individual Promoters and certain other persons have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our individual Promoters and certain other persons have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

***28. We do not have any long-term agreement or contract of supply of raw materials and consequently are exposed to price and supply fluctuations for our raw materials.***

Our Company is engaged in the business of manufacturing of grey fabric and readymade cloths, and yarn is used as the primary raw material during our manufacturing process. Therefore, we are highly dependent on yarn, and it forms the most important and primary component of our manufacturing process.

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. We rely on pre-booking capacity with our suppliers, based on our demand projections. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacturing of our products, could have a material adverse effect on our business. Further, any discontinuation or a failure of these suppliers to adhere to the delivery schedule or failure to deliver the required quality and quantity could hamper our manufacturing schedule.

Further, we are also exposed to fluctuations in the prices of yarn. Thus, we may be unable to control the factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our products becoming unaffordable if pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our margins. Upward fluctuation of price of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial conditions and results of operations.

***29. Our Company has not entered into any long-term contracts with any of its customers and we typically operate on the basis of purchase orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.***

Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers, including overseas customers. However, we have not entered into any long-term contracts with these customers and we cater to them on purchase order basis. We are bound to comply with different terms and conditions stipulated in the purchase orders failing to which led to termination or cancellation of the purchase orders by our customers. Our customers may also terminate their relationships with us without any notice which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, fluctuation in demand for our Company's products and customer's inventory management. Although we place a strong emphasis on quality, timely delivery of our products, etc., in the absence of contracts, any sudden change in the buying pattern of customers could adversely affect the business and the profitability of our Company.

***30. Our manufacturing units and other operations are geographically located in Valsad. Any unscheduled or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, results of operations and cash flows.***

Our manufacturing units are based in Valsad, Gujarat and we rely on said manufacturing facilities for manufacturing, product assembly and storage. We manufacture, assemble and store all our products at our manufacturing facilities located in Valsad, Gujarat. Any unscheduled or prolonged disruption of our manufacturing operations, including power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period. The occurrence of any such incidents could also result in a destruction of certain assets, and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. Our customers and distributors rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Catastrophic events may also destroy any inventory located in our facilities. The occurrence of such an event could materially and adversely affect our business.

***31. Our Company's manufacturing activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.***

Our Company has employed 825 employees all of whom are on our payrolls. The above includes employees in the top and middle management and also employees who are part of processing unit and office staff. Our operations and performance are labour intensive and depends on our ability to identify, attract and retain both skilled and unskilled labour. In case such labour is unavailable or we are unable to identify and retain such labourers, our business could be adversely affected. In order to retain flexibility and control costs, we also appoint independent contractors who in turn engage on-site contract labour for performing certain of our ancillary operations. Any failure to hire the appropriate contract labour may impact the operations, production and revenue.

***32. We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performing certain of our ancillary operations. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Although we do 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. All contract labourers engaged at our manufacturing facilities are assured minimum wages that are fixed by the state government from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations. Further, in the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. While the Contract Labour (Regulation and Abolition) Act, 1970 does not require us to retain contract labourers as our employees, the Indian courts on a case-by-case basis have directed employers in the past to absorb contract labourers as employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

***33. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue in the manner stated in the chapter titled *"Objects of the Issue"* beginning on Page No. 72 of this Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our working capital limits resulting in unprecedented financial mismatch and this may affect our revenues and results of operations. Further, our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability.

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

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on Equity Share price of our Company.

***35. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Modernization and technology upgradation are essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed latest technology and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of newly found technology in the textile processing business, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us.

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, 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 business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, 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 unauthorized access to our networks. Further, the commercial success of our business is highly dependent on the developmental and innovative break throughs of our design division. In the event, any breach of our systems or software leads to the leaking of our designs or any inventive design techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors. Additionally, the government authorities may require adherence with certain technologies, and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

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

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

***37. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

The state of Gujarat is a national hub for the textile industry and this has resulted in huge competitive pressures. We may have to confront pressures in respect of pricing, product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. We are also in direct competition with the leading textile processing units in India as well as the local units. Our competitiveness is also measured by the technology we adopt as the textile industry is rapidly growing in India and in international markets. Some of our clients are based outside India which in turn compel us to meet international standards also. Our inability to compete with this intense competition; local, national and international will have material adverse impact on our Company's financial position. For further details, please refer to the chapter titled *"Industry Overview"* beginning on Page No. 83 of this Prospectus.

***38. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition.***

We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations. Our products might have certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence, and human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the quality standards 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. In the event the quality of our products is sub-standard or our products 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. 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 also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and image, as well as entail significant costs.

***39. Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.***

Our Company is involved in various business transactions with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it may adversely affect our business, results of operations, financial conditions and cash flows.

***40. Our Company does not have enough documentary evidence for the Capital Built-up of our Company.***

Our Company is unable to trace all documents evidencing their capital built-up. Due to lack of documents and relevant information, we have relied on Allotment Register and Counter Folio of Share Certificate Book available. The same is confirmed by M/s H. Maheshwari & Associates, Company Secretaries in Practice vide their search report dated March 03, 2022 in this regard. For further details, please refer to the chapter titled *"Capital Structure"* beginning on Page No. 57 of this Prospectus.

***41. Our Promoters do not have any documentary evidence for their Capital Built-up.***

Except Share Certificates with Transfer details, Mr. Krishankant Gupta, Mr. Vijaykumar Gupta and Mr. Madanlal Gupta are unable to trace any documentary evidence for transfers. Due to lack of enough documents and relevant information from promoters, we have relied on Transfer Register of the Company. For further details, please refer to the chapter titled *"Capital Structure"* beginning on Page No. 57 of this Prospectus.

***42. We are unable to identify exact Cost of Acquisition by our Promoters.***

Except Share Certificates with Transfer details, Mr. Krishankant Gupta, Mr. Vijaykumar Gupta and Mr. Madanlal Gupta are unable to trace any documentary evidence for transfers. Due to lack of documents and relevant information from promoters, we have obtained necessary affidavits from promoters in this regard. Based on these affidavits, we have disclosed details of their cost of acquisition in the chapter titled *"Summary of Offer Document"* as is required under the SEBI ICDR Regulations. For further details, please refer to the chapter titled *"Offer Document Summary"* beginning on Page No. 19 of this Prospectus.

***43. Our Company does not have any documentary evidence for the educational qualifications of three of our directors.***

Mr. Krishankant Gupta (Chairman and Managing Director), Mr. Vijaykumar Gupta (Whole Time Director) and Mr. Madanlal Gupta (Non-Executive Director) are unable to trace documents evidencing their educational qualifications. Due to lack of documents and relevant information from these directors, we have obtained necessary affidavits from directors in this regard. Based on these affidavits, we have disclosed details of their educational qualifications in biography in the chapter titled *"Our Management"* as is required under the SEBI ICDR Regulations. For further details, please refer to the chapter titled *"Our Management"* beginning on Page No. 135 of this Prospectus.

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

We may expose to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business practice, we supply our products directly to certain customers without taking any advance payment 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 may have a material adverse effect on our Company's results of operations and financial condition. for the Fiscals ended March 31, 2022, 2021 and 2020 our trade receivables were ₹ 3,682.04 Lakh ₹ 3,310.32 Lakh and ₹ 3,829.96 Lakh respectively .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, 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.

***45. We do not have any offshore offices to manage our international operations.***

A significant portion of our revenue is derived from our export operations however, we have not set up any offshore offices to supplement our international operations. Consequently, we may not be able to properly market our products, capitalised opportunities offered by the international markets or co-ordinate with the intermediaries of such markets to effectively forecast market demands, fashion trends in a timely manner.

We cannot assure you that in the near future we will be able to set up our offices overseas to manage our international operations and that the lack of same will not adversely affect our business.

***46. Our operations can be adversely affected in case of industrial accidents at our manufacturing unit.***

Any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability. Our manufacturing process requires the use of machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death.

Further, the key raw material used by us for manufacturing our products is yarn. Based on its kind, yarn is an inflammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. Due to its combustible nature of yarn and the semi-finished or finished products manufactured by us, we may be exposed to fires or other industrial accidents and every stage from procurement, processing, storage and transportation to trading is fraught with an imminent risk of loss by fire. With the use of chemicals, boilers, etc. the risk of fire hazard increases exponentially. The stocks of finished goods, raw materials, god owns and the main manufacturing area are more prone to such accidents, which could cause substantial loss to our machinery, thus hampering our business operations. Further, any fire or industrial accident, any shutdown of our manufacturing units or any environmental damages will increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. We have adopted adequate safety measures; however, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. 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. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it may adversely affect our results of operations and financial position.

## EXTERNAL RISK FACTORS

***47. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in India as well as other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

In addition to the above, our Company is incorporated in India and its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;

- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown due to these factors could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

***48. A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the capital markets may depend significantly on the credit ratings of India. India's sovereign rating was revised in October 2021 from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's, and from BBB- with a "stable" outlook to BBB- with a "negative" outlook by Fitch in June 2020; and from BBB with a "negative" outlook to BBB (low) with a "stable" outlook by DBRS in May 2021. India's sovereign ratings from S&P is BBB- with a "stable" outlook. Any further adverse revisions to India's credit ratings by international rating agencies may adversely affect our ratings or terms on which we are able to raise additional finances or refinance any existing indebtedness. This may have an adverse impact on our business and financial performance, shareholders equity and the price of Equity shares.

***49. Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and

financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

***50. Changes or uncertainty in international trade policies or tariffs could disrupt our export sales outside India or negatively impact our financial results.***

Our export sales outside India expose us to number of risks related to trade protection laws, tariffs, excise or other border taxes on products exported to certain countries. Changes or uncertainty in international trade policies or tariffs could impact our global operations, as well as our customers. We may be required to incur additional costs to manufacture and distribute certain of our products. This could adversely impact our business and results of operations.

***51. If inflation rises in India, increased costs may result in a decline in profits. Inflation rates in India have been volatile in recent years, and such volatility may continue.***

India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs.

Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. Additionally, if we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future

***52. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of SEBI (SAST) Regulations, 2011.

## RISKS RELATING TO EQUITY SHARES

***53. The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;

- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- General economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

***54. The average cost of acquisition of Equity Shares by out Promoters could be lower than the issue price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters, please refer chapter titled *"Offer Document Summary"* beginning on Page No. 19 of this Prospectus.

***55. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the LM through the Fixed Price process. This price will be based on numerous factors, as described under the chapter *"Basis for Issue Price"* beginning on Page No. 77 of this Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Issue Price.

***56. The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

***57. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoters or members of the Promoter Group may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Under Indian law, foreign investors are

subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed by the GoI in the Consolidated FDI Policy dated October 15, 2020. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, please refer to the chapter titled *"Restrictions on Foreign Ownership of Indian Securities"* beginning on Page No. 246 of this Prospectus.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by 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 the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes 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 the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

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

We are not a publicly listed company and have not, historically, 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 SEBI Listing Regulations, which will require us to file audited annual and unaudited 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 promptly as other listed companies. Further, as a publicly 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. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long term gain realized on the sale of

equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India.

***61. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the listing and commencement of trading of Equity Shares. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Issue is approved by the Stock Exchanges. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take time from the Bid/ Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance 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 in this risk factor. We could also be required 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.

***62. Investors will not have the option of getting the allotment of Equity Shares in physical form.***

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, please refer to the chapter titled *"Terms of the Issue"* beginning on Page No. 187 of this Prospectus. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

***63. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

## SECTION III – INTRODUCTION

## THE ISSUE

Following table summarizes the present Issue in terms of this Prospectus:

| Particulars | Details of Equity Shares |
|---|---|
| Issue of Equity Shares [(1)] [(2)] | 15, 84,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ 28/- per Equity Share aggregating to ₹ 443.52 lacs. [(2)] |
| ***of which:*** | |
| Market Maker Reservation Portion | Issue of 80,000 Equity Shares having face value of ₹ 10/- each at a price of ₹ 28/- per Equity Share aggregating ₹ 22.40 lacs |
| Net Issue to Public [(3)] | Issue of 15,04,000 Equity Shares having face value of ₹ 10/- each at a price of ₹ 28/- per Equity Share aggregating ₹ 421.12 lacs |
| | *of which:* |
| | 7,52,000 Equity Shares having face value of ₹ 10/- each at a price of ₹ 28/- per Equity Share aggregating ₹ 210.56 lacs will be available for allocation to Retail Individual Investors |
| | 7,52,000 Equity Shares having face value of ₹ 10/- each at a price of ₹ 28/- per Equity Share aggregating ₹ 210.56 lacs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for. |
| **Pre and Post-Issue Equity Shares** | |
| Equity Shares outstanding prior to the Issue | 42,91,730 Equity Shares |
| Equity Shares outstanding after the Issue | 58,75,730 Equity Shares |
| | |
| Use of Net proceeds of this Issue | Please refer the chapter titled "*Objects of the Issue*" on Page No. 72 of this Prospectus. |

*[(1)] This Issue is being made in terms of Regulation 253(2) of Chapter IX of the SEBI (ICDR) Regulations. For further details, please refer to section titled "Issue Information" on Page No. 187 of this Prospectus.*

*[(2)] The present Issue has been authorised pursuant to a resolution passed by our Board at its meeting held on February 10, 2022 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the EGM held on February 11, 2022.*

*[(3)] The allocation is the net Issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, as amended from time to time:*

*a) Minimum fifty percent to retail individual investors; and*
*b) Remaining to*
*(i) individual applicants other than retail individual investors and*
*(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for*

*Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

*Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the Issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.*

*For further details please refer to the chapter titled "Issue Structure" beginning on Page No. 193 of this Prospectus.*

## SUMMARY OF FINANCIAL INFORMATION

*The following tables provide the summary financial information of our Company derived from the Restated Financial Information as at and for the for the Fiscals ended March 31, 2022, 2021 and 2020. The Restated Financial Information referred to above is presented under the section titled "Financial Information" beginning on Page No. 154 of this Prospectus. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the chapters titled "Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on Page Nos. 154 and 160, respectively of this Prospectus.*

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**VEEKAYEM FASHION AND APPARELS LIMITED**

113, UDYOG BHAVAN, SHARMA IND. ESTATE, WALGHAT ROAD, GOREGAON EAST, MUMBAI Mumbai City MH 400063

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED** ANNEXURE - I

(₹ In Lakhs)

| Particulars | Annexure No. | As at March 31, | | |
|---|---|---|---|---|
| | | 2022 | 2021 | 2020 |
| **I. EQUITY AND LIABILITIES** | | | | |
| **(1) Shareholder's Funds** | | | | |
| (a) Share Capital | V | 429.17 | 429.17 | 429.17 |
| (b) Reserves and Surplus | VI | 2,666.11 | 2,475.73 | 2,440.48 |
| **(2) Share Application Money Pending Allotment** | | | | |
| **(3) Non-Current Liabilities** | | | | |
| (a) Long-Term Borrowings | VII | 778.04 | 875.32 | 214.75 |
| (b) Deferred Tax Liability (Net) | VIII | 143.66 | 207.61 | 195.91 |
| (c) Long term provision | IX | 44.21 | 37.88 | 86.78 |
| (d) Other long-term Liabilities | X | 30.00 | 30.00 | - |
| **(4) Current Liabilities** | | | | |
| (a) Short Term Borrowing | XI | 7,381.88 | 7,187.63 | 6,996.45 |
| (b) Trade Payables | XII | 1,607.51 | 951.43 | 1,501.89 |
| (c) Other Current Liabilities | XIII | 159.56 | 105.36 | 176.46 |
| (d) Short-Term Provisions | XIV | 27.04 | 51.81 | 48.51 |
| ***Total*** | | **13,267.19** | **12,351.95** | **12,090.40** |
| **II.ASSETS** | | | | |
| **(1) Non-Current Assets** | | | | |
| (a) Property, Plant and Equipment and Intangible assets | | | | |
| - Property, Plant and Equipments | XV | 2,125.89 | 2,124.57 | 2,224.66 |
| (b) Non-Current Investment | XVI | 28.41 | 21.68 | 21.68 |
| (c) Deferred Tax Assets (net) | | - | - | - |
| (d) Long-term loans and advnaces | | - | - | - |
| (e) Other non-current assets | XVII | 4.16 | 4.16 | - |
| | | - | - | - |
| **(2) Current Assets** | | | | |
| (a) Inventories | XVIII | 6,596.16 | 5,726.94 | 5,279.25 |
| (b) Trade receivables | XIX | 3,682.04 | 3,310.32 | 3,829.96 |
| (c) Cash and Cash Equivalents | XX | 18.79 | 184.88 | 21.80 |
| (d) Short-Term Loans And Advances | XXI | 805.34 | 974.26 | 713.06 |
| (e) Other Current Assets | XXII | 6.38 | 5.14 | - |
| **Total** | | **13,267.19** | **12,351.95** | **12,090.40** |

**For Mittal & Associates**
Chartered Accountants
(Firm Registration No. 106456W)

SD/-
**Hemant Bohra**
Partner
Membership No. 165667

Place : Mumbai
Date: July 27, 2022

**For and on behalf of Board of Directors**
Veekayem Fashion and Apparels Limited

SD/-
**Krishankant Gupta**
Director
DIN:01741133

SD/-
**Madanlal Gupta**
Director
DIN:01782815

SD/-
**Hemant S Gupta**
Chief Financial Officer
PAN: AAFPG6294F

SD/-
**Gopika Singh**
Company Secretary

**VEEKAYEM FASHION AND APPARELS LIMITED**
113, UDYOG BHAVAN, SHARMA IND. ESTATE, WALGHAT ROAD, GOREGAON EAST, MUMBAI Mumbai City MH 400063

**STATEMENT OF PROFIT AND LOSS AS RESTATED**

ANNEXURE - II
(₹ In Lakhs)

| Sr. No. | Particulars | Annexure No. | For the year ended March 31, | | |
|---|---|---|---|---|---|
| | | | 2022 | 2021 | 2020 |
| A | ***Revenue:*** | | | | |
| | Revenue From Operations ( Net of Taxes ) | XXIII | 14,900.64 | 7,655.73 | 21,551.64 |
| | Other Income | XXIV | 46.38 | 14.33 | 19.83 |
| | ***Total Revenue*** | | **14,947.02** | **7,670.06** | **21,571.46** |
| | ***Expenses:*** | | | | |
| B | Cost of Material Consumed | XXV | 12,078.90 | 5,374.18 | 18,428.11 |
| | Changes in inventories of finished goods,work-in-progress and Stock-in-Trade | XXVI | -792.71 | -244.91 | -1,055.75 |
| | Employee benefit expenses | XXVII | 1,179.35 | 707.35 | 1,327.06 |
| | Financial Cost | XXVIII | 752.11 | 784.88 | 745.76 |
| | Depreciation and amortization expenses | XV | 127.57 | 129.68 | 139.03 |
| | Others Expenses | XXIX | 1,448.76 | 868.19 | 1,830.76 |
| | ***Total Expenses*** | | 14,793.99 | 7,619.36 | 21,414.97 |
| | | | | | |
| C | **Profit before exceptional ,extraordinary items and tax** | | **153.03** | **50.70** | **156.49** |
| | Less: Exceptional Items | | **-** | **-** | **-** |
| | **Profit before extraordinary items and tax (A-B)** | | **153.03** | **50.70** | **156.49** |
| | Prior Period Items | | **-** | **-** | **-** |
| | Extra ordinary items | | **-** | **-** | **-** |
| D | **Profit before tax** | | **153.03** | **50.70** | **156.49** |
| | *Tax expense :* | | | | |
| | Current tax | | 28.44 | 7.91 | 39.14 |
| | MAT credit entitlement | | - | -4.16 | - |
| | Tax Related to Earliyer year | | | | - |
| | Deferred Tax | | -63.95 | 11.70 | 8.25 |
| | Profit/(Loss) for the period After Tax- **PAT** | | **188.54** | **35.25** | **109.10** |

**For Mittal & Associates**
Chartered Accountants
(Firm Registration No. 106456W)

SD/-
**Hemant Bohra**
Partner
Membership No. 165667

Place : Mumbai
Date: July 27, 2022

**For and on behalf of Board of Directors**
Veekayem Fashion and Apparels Limited

SD/-
**Krishankant Gupta**
Director
DIN:01741133

SD/-
**Madanlal Gupta**
Director
DIN:01782815

SD/-
**Hemant S Gupta**
Chief Financial Officer
PAN: AAFPG6294F

SD/-
**Gopika Singh**
Company Secretary

**VEEKAYEM FASHION AND APPARELS LIMITED**

113, UDYOG BHAVAN, SHARMA IND. ESTATE, WALGHAT ROAD, GOREGAON EAST, MUMBAI Mumbai City MH 400063

**STATEMENT OF PROFIT AND LOSS AS RESTATED**

ANNEXURE - II

(₹ In Lakhs)

| Sr. No. | Particulars | Annexure No. | For the year ended March 31, | | |
|---|---|---|---|---|---|
| | | | 2022 | 2021 | 2020 |
| A | ***Revenue:*** | | | | |
| | Revenue From Operations ( Net of Taxes ) | XXIII | 14,900.64 | 7,655.73 | 21,551.64 |
| | Other Income | XXIV | 46.38 | 14.33 | 19.83 |
| | ***Total Revenue*** | | **14,947.02** | **7,670.06** | **21,571.46** |
| | ***Expenses:*** | | | | |
| B | Cost of Material Consumed | XXV | 12,078.90 | 5,374.18 | 18,428.11 |
| | Changes in inventories of finished goods,work-in-progress and Stock-in-Trade | XXVI | -792.71 | -244.91 | -1,055.75 |
| | Employee benefit expenses | XXVII | 1,179.35 | 707.35 | 1,327.06 |
| | Financial Cost | XXVIII | 752.11 | 784.88 | 745.76 |
| | Depreciation and amortization expenses | XV | 127.57 | 129.68 | 139.03 |
| | Others Expenses | XXIX | 1,448.76 | 868.19 | 1,830.76 |
| | ***Total Expenses*** | | 14,793.99 | 7,619.36 | 21,414.97 |
| | | | | | |
| C | **Profit before exceptional ,extraordinary items and tax** | | **153.03** | **50.70** | **156.49** |
| | Less: Exceptional Items | | - | - | - |
| | **Profit before extraordinary items and tax (A-B)** | | **153.03** | **50.70** | **156.49** |
| | Prior Period Items | | - | - | - |
| | Extra ordinary items | | - | - | - |
| D | **Profit before tax** | | **153.03** | **50.70** | **156.49** |
| | *Tax expense :* | | | | |
| | Current tax | | 28.44 | 7.91 | 39.14 |
| | MAT credit entitlement | | - | -4.16 | - |
| | Tax Related to Earliyer year | | | | - |
| | Deferred Tax | | -63.95 | 11.70 | 8.25 |
| | Profit/(Loss) for the period After Tax- **PAT** | | **188.54** | **35.25** | **109.10** |

**For Mittal & Associates**
Chartered Accountants
(Firm Registration No. 106456W)

SD/-
**Hemant Bohra**
Partner
Membership No. 165667

Place : Mumbai
Date: July 27, 2022

**For and on behalf of Board of Directors**
Veekayem Fashion and Apparels Limited

SD/-
**Krishankant Gupta**
Director
DIN:01741133

SD/-
**Madanlal Gupta**
Director
DIN:01782815

SD/-
**Hemant S Gupta**
Chief Financial Officer
PAN: AAFPG6294F

SD/-
**Gopika Singh**
Company Secretary

## GENERAL INFORMATION

Our Company was originally incorporated as '*Veekayem Textile Mills Private Limited*' on September 17, 1985 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 13, 2018, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to *'Veekayem Textile Mills Limited'* and a fresh certificate of incorporation dated June 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. Subsequently, pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on August 18, 2018 the name of our Company was changed to *'Veekayem Fashion & Apparels Limited'* and a fresh certificate of incorporation dated October 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. The corporate identification number of our Company is U17120MH1985PLC037516.

**Registered Office of our Company**

**Veekayem Fashion and Apparels Limited**
113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road,
Goregaon East, Mumbai, Maharashtra, India – 400 063
**Registration Number:** 037516
**Telephone:** +91 022 4035 1481
**E-mail:** cs@vkmgroups.biz
**Website:** www.vkmgroups.com
**CIN:** U17120MH1985PLC037516

**Corporate Office of our Company**

**Veekayem Fashion and Apparels Limited**
113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road,
Goregaon East, Mumbai, Maharashtra, India – 400 063
**Registration Number:** 037516
**Telephone:** +91 022 4035 1481
**E-mail:** cs@vkmgroups.biz
**Website:** www.vkmgroups.com
**CIN:** U17120MH1985PLC037516

**Registrar of Companies**

Our Company is registered with the Registrar of Companies, Mumbai situated at the following address:

**Registrar of Companies, Mumbai**
100, Everest Building, Netaji Subhash Road,
Marine Drive, Mumbai,
Maharashtra, India – 400 002.

**Board of Directors of our Company**

Set forth below are the details of our Board of Directors as on the date of this Prospectus:

| S. No. | Name | Designation | DIN | Address |
|---|---|---|---|---|
| 1. | Krishankant Gupta | Chairman and Managing Director | 01741133 | Shriniketan 101, Sai-Baba Park, Plot 18/19, Evershine Nagar, Malad West, Mumbai, Maharashtra, India – 400 064 |
| 2. | Vijaykumar Gupta | Whole Time Director | 01781934 | 401, Plot No. 18/19, Shree Niketan Saibaba Park, Evershine Nagar, Malad West, Mumbai, Maharashtra, India – 400 064 |
| 3. | Madanlal Gupta | Non-Executive Director | 01782815 | 302, 18/19, Shriniketan, Near Sai Baba Park, Evershine Nagar, Malad West, Mumbai, Maharashtra, India – 400 064 |

| S. No. | Name | Designation | DIN | Address |
|---|---|---|---|---|
| 4. | Madhukar Sharma | Independent Director | 09489360 | C-110, Highway Rose, Dixit Road, Vile Parle (East), Mumbai, Maharashtra, India – 400 057. |
| 5. | Santwana Vernekar | Independent Director | 09488962 | Building No. 3/104, Sanskruti Apartments, 90 Feet Road, Thakur Complex, Kandivali East, Mumbai, Maharashtra, India – 400 101. |

For detailed profile of our Directors, please refer to the chapter titled *"Our Management"* beginning on Page No. 135 of this Prospectus.

**Chief Financial Officer**

Hemant Kumar Gupta, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road,
Goregaon East, Mumbai, Mahrashtra, India – 400 063
**Telephone:** +91 022 4035 1481
**E-mail:** cfo@vkmgroups.biz

**Company Secretary and Compliance Officer**

Gopika Singh, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road,
Goregaon East, Mumbai, Mahrashtra, India – 400 063
**Telephone:** +91 022 4035 1481
**E-mail:** cs@vkmgroups.biz

**Investor grievances**

**Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

**Details of Key Intermediaries pertaining to this Issue of our Company:**

**Lead Manager**

**GYR Capital Advisors Private Limited**
428, Gala Empire, Near JB Tower,
Drive in Road, Thaltej,
Ahemdabad-380 054,
Gujarat, India.
**Telephone:** +91 87775 64648
**Fax:** N.A.
**Email ID:** info@gyrcapitaladvisors.com
**Website:** www.gyrcapitaladvisors.com

**Investor Grievance ID:** compliance@gyrcapitaladvisors.com
**Contact Person:** Mohit Baid
**SEBI Registration Number:** INM000012810

**Registrar to the Issue**

**KFin Technologies Limited**
*(Formerly known as KFin Technologies Private Limited)*
Selenium Tower-B, Plot 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032, Telangana
**Contact Person**: M Murali Krishna
**Tel**: +91 40 6716 2222
**Fax**: +91 40 2343 1551
**Email**: veekayem.ipo@kfintech.com
**Investor grievance e-mail**: einward.ris@kfintech.com
**Website**: www.kfintech.com
**SEBI Registration No.** : INR000000221

**Legal Advisor to the Issue**

**Chir Amrit Corporate LLP**
6th Floor, Unique Destination, Opp. Times of India,
Tonk Road, Jaipur, Rajasthan, India – 302 015
**Telephone:** +91 141 404 4500 / +91 98295 00420
**Fax:** N.A.
**Contact Person:** Ritu Soni
**Email:** ritu@chiramritlaw.com
**Website:** www.chiramritlaw.com

**Statutory and Peer Review Auditor of our Company**

**M/s. Mittal & Associates**
Chartered Accountants
501, Empress Nucleus, Gaothan Road,
Opp. Little Flower School, Andheri (East),
Mumbai, Maharashtra, India – 400 069.
**Telephone**: +91 86899 58800
**Fax:** N.A.
**Email:** mm@mittal-associates.com
**Contact Person**: Hemant Bohra
**Membership No.:** 165667
**Firm Registration No**.: 106456W
**Peer Review Certificate No.:** 013088

**Bankers to our Company**

**The Cosmos Co-op. Bank Limited**
2nd Floor, Horizon Building,
Ranade Road & Gokhale Road Junction,
Dadar West, Mumbai, Maharashtra, India – 400 028.
**Tel:** +91 022 24476053
**Fax:** N.A.
**Email:** dixita.rajal@cosmosbank.in
**Website:** www.cosmosbank.com
**Contact person:** Dixita Rajal

**Banker to the Issue / Refund Bank / Sponsor Bank**

**ICICI Bank Limited**

Capital Market Division, 1st Floor, 122, Mistry Bhavan,
Dinshaw Vacha Road, Backbay Reclamation,
Churchgate, Mumbai – 400 020
**Tel:** +91 022 6681 8923 / 924 / 932
**Fax:** +91 022 2261 1138
**Email:** sagar.welekar@icicibank.com
**Website:** www.icicibank.com
**Contact Person:** Sagar Welekar

**Designated Intermediaries**

*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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

*SCSBs enabled for UPI Mechanism*

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

*Registered Brokers*

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at National Stock Exchange of India Limited at www.nseindia.com as updated from time to time.

*Registrar and Share Transfer Agent*

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange of India Limited, as updated from time to time.

*Collecting Depository Participants*

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of National Stock Exchange of India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

**IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

**Credit Rating**

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

**Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

**Brokers to the Issue**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

**Debenture Trustees**

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

**Monitoring Agency**

As the Net Proceeds of the Issue will be less than ₹ 10,000 lacs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

**Appraising Entity**

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

**Expert Opinion**

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

Our Company has received written consent dated July 27, 2022 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated July 27, 2022 on our restated financial information; and (ii) its report dated July 27, 2022 on the statement of special tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

**Inter-se Allocation of Responsibilities**

GYR Capital Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

**Filing**

The Draft Prospectus and this Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of the Draft Prospectus shall be furnished to the Board. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of this Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in. Further, a copy of this Prospectus, will be filed with the EMERGE Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of this Prospectus, along with the material contracts and documents will be submitted to the RoC under Section 26 and Section 32 of the Companies Act, 2013 at its office situated at:

**Registrar of Companies, Mumbai**
100, Everest Building, Netaji Subhash Road,
Marine Drive, Mumbai,
Maharashtra, India – 400 002

**Changes in Auditors during the last three years**

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

| Name of Auditor | Date of Change | Reason for change |
|---|---|---|
| **M/s. Mittal & Associates,**<br>Chartered Accountants<br>501, Empress Nucleus, Gaothan Road,<br>Opp. Little Flower School, Andheri (East),<br>Mumbai, Maharashtra, India – 400 069.<br>**Email:** mm@mittal-associates.com<br>**Firm Registration No**.: 106456W | February 11, 2022 | Appointment under Casual vacancy due to resignation by Previous auditor. |
| **M/s. Kedia & Agarwal,**<br>Chartered Accountants<br>Office 137/22, 1st Floor, Poonam Shrushti,<br>Opp. S K Stone, Mira Bhayander Road,<br>Mira Road (East), Mumbai,<br>Maharashtra, India – 401 107.<br>**Email:** office.kediaagrawal@gmail.com<br>**Firm Registration No.:** 140989W | January 10, 2022 | Resignation by Auditor due to Pre-Occupation. |
| **M/s. Kedia & Agarwal,**<br>Chartered Accountants<br>Office 137/22, 1st Floor, Poonam Shrushti,<br>Opp. S K Stone, Mira Bhayander Road,<br>Mira Road (East), Mumbai,<br>Maharashtra, India – 401 107.<br>**Email:** office.kediaagrawal@gmail.com<br>**Firm Registration No.:** 140989W | December 31, 2020 | Re-appointment as Statutory Auditor |

**Issue Programme**

An indicative time table in respect of the Issue is set out below:

| Event | Indicative Date |
|---|---|
| Issue Opening Date | Friday, August 05, 2022 |
| Issue Closing Date | Thursday, August 11,2022 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or before August 17,2022 |
| Initiation of Allotment / Refunds / Unblocking of Funds[(1)] | On or before August 18,2022 |
| Credit of Equity Shares to demat accounts of Allottees | On or before August 19,2022 |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before August 22,2022 |

*[(1)]In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable*

**The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

**SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Prospectus and this Prospectus may result in changes to the above mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.**

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchange, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange 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 Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

For further details, please refer chapters titled *"Issue Structure"* and *"Issue Procedure"* beginning on Page Nos. 193 and 196, respectively of this Prospectus.

Applicants should note the Issue is also subject to (i) obtaining final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment; and (ii) filing of this Prospectus with the RoC.

**Underwriting Agreement**

Our Company has enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated June 16, 2022. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein:

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

*(₹ in lacs)*

| Name, address, telephone number, Facsimile and e-mail addresses of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten | % of the total Issue size Underwritten |
|---|---|---|---|
| **GYR Capital Advisors Private Limited**<br>428, Gala Empire, Near JB Tower,<br>Drive in Road, Thaltej, Ahemdabad -380 054,<br>Gujarat, India.<br>**Telephone:** +91 87775 64648<br>**Facsimile:** N.A.<br>**E-mail:** info@gyrcapitaladvisors.com<br>**Website:** www.gyrcapitaladvisors.com | 15,84,000* | 443.52 | 100.00 |

**includes 80,000 Equity Shares reserved for Market Maker portion*

The above-mentioned is indicative underwriting and will be finalised after Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

**Details of Market Making Arrangement for the Issue**

Our Company has entered into a Market Making Agreement dated June 16, 2022 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

**ECONO BROKING PRIVATE LIMITED**
**Registered Office:** Unit No. 201 to 202-A, 2nd Floor, Dalal Street Commercial Co-Op Society Limited, Block No. 53, Building No. 53, Gift City, Gandhinagar, Gujarat, India – 382 355.

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated June 16, 2022 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

**Econo Broking Private Limited**, registered with EMERGE Platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

2. The minimum depth of the quote shall be ₹ 1, 00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and EMERGE Platform of National Stock Exchange of India Limited from time to time.

4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

5. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.

6. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.

7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

8. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

   In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing

the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

9. **Risk containment measures and monitoring for Market Maker**: EMERGE Platform of National Stock Exchange of India Limited will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

10. **Punitive Action in case of default by Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

    The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.

11. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

12. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the Issue size and as follows:

| Issue Size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size) |
|---|---|---|
| Upto ₹20 Crore | 25% | 24% |
| ₹20 Crore to ₹50 Crore | 20% | 19% |
| ₹50 Crore to ₹80 Crore | 15% | 14% |
| Above ₹80 Crore | 12% | 11% |

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

**On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.**

**WITHDRAWAL OF THE ISSUE**

Our Company and Selling Shareholders in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism),to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading

approvals of the Stock Exchange with respect to the Equity Shares Issued through this Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of this Prospectus.

## CAPITAL STRUCTURE

The share capital of our Company as on date of this Prospectus is set forth below:

*(₹ in lacs, except share data)*

| Sr. No. | Particulars | Aggregate Value at Nominal Value | Aggregate Value at Issue Price |
|---|---|---|---|
| A. | **Authorised Share Capital out of which:** | | |
| | 1,10,00,000 Equity Shares having face value of ₹ 10/- each | 1,100.00 | - |
| B. | **Issued, Subscribed and Paid-up Share Capital before the Issue out of which** | | |
| | 42,91,730 Equity Shares having face value of ₹ 10/- each | 429.17 | - |
| C. | **Present Issue in terms of this Prospectus[(1)]** | | |
| | Issue of 15,84,000 Equity Shares of ₹ 10/- each at a price of ₹ 28/- per Equity Share | 158.40 | 443.5 |
| | ***Which comprises:*** | | |
| | 80,000 Equity Shares of ₹ 10/- each at a price of ₹ 28/- per Equity Share reserved as Market Maker Portion | 8.00 | 22.40 |
| | Net Issue to Public of 15,04,000 Equity Shares of ₹ 10/- each at a price of ₹ 28/- per Equity Share to the Public | 150.40 | 421.12 |
| | ***Of which[(2)]:*** | | |
| | 7,52,000 Equity Shares of ₹ 10/- each at a price of ₹ 28/- per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lacs | 75.20 | 210.56 |
| | 7,52,000 Equity Shares of ₹ 10/- each at a price of ₹ 28/- per Equity Share will be available for allocation for Investors of above ₹ 2.00 lacs | 75.20 | 210.56 |
| D. | **Paid-up Share Capital after the Issue** | | |
| | 58,75,730 Equity Shares of ₹ 10/- each | 587.57 | |
| E. | **Securities Premium Account** | | |
| | Before the Issue | 1,135.88 | |
| | After the Issue | 1,421.00 | |

*[(1)] The present Issue has been authorized pursuant to a resolution of our Board dated February 10, 2022 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated February 11, 2022 under Section 62(1) (c) of the Companies Act, 2013.*

*[(2)] Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*

### Classes of Shares

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

### Details of changes in Authorized Share Capital of our Company [#]

The current authorised capital of our Company is ₹ 11, 00, 00,000/- (Rupees Eleven Crores Only) divided into 1, 10, and 00,000 Equity Shares of ₹ 10/- each. Further, the changes in authorised share capital of our Company are provided in the manner set forth below:

| Date of Shareholder's Meeting | Particulars of Change | | AGM/EGM |
|---|---|---|---|
| | From | To | |
| March 24, 2004 | ₹ 1,50,00,000 consisting of 1,50,000 Equity Shares of ₹ 100 each | ₹ 2,50,00,000 consisting of 2,50,000 Equity Shares of ₹ 100 each | EGM |
| March 16, 2005 | ₹ 2,50,00,000 consisting of 2,50,000 Equity Shares of ₹ 100 each | ₹ 3,00,00,000 consisting of 3,00,000 Equity Shares of ₹ 100 each | EGM |

| Date of Shareholder's Meeting | Particulars of Change | | AGM/EGM |
|---|---|---|---|
| | From | To | |
| January 05, 2006 | ₹ 3,00,00,000 consisting of 3,00,000 Equity Shares of ₹ 100 each | ₹ 5,00,00,000 consisting of 50,00,000 Equity Shares of ₹ 10 each | EGM |
| October 11, 2021 | ₹ 5,00,00,000 consisting of 50,00,000 Equity Shares of ₹ 10 each | ₹ 11,00,00,000 consisting of 1,10,00,000 Equity Shares of ₹ 10 each | EGM |

*[#]we are unable to trace complete documents of the resolution passed by the Shareholders of our Company and relevant form filings from the Company and Registrar of Companies for changes in Authorised Capital and therefore details mentioned above are extracted from available Forms in the records of the Company. For risks relating to the same, please refer to the Risk Factor No. 6 from the section titled "Risk Factors" beginning on Page No. 24 of this Prospectus.*

**NOTES TO THE CAPITAL STRUCTURE**

1) **Share Capital History of our Company:**

**Equity Share Capital[#]**

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

| Date of Allotment | No. of Equity Shares | Face value (₹) | Issue Price (₹) | Nature of consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative paid -up Capital (₹) |
|---|---|---|---|---|---|---|---|
| On Incorporation[(1)] | 30 | 100 | 100 | Cash | Subscription to Memorandum of Association[(1)] | 30 | 3,000 |
| December 17, 1986[(2)] | 1,467 | 100 | 100 | Cash | Further Allotment[(2)] | 1,497 | 1,49,700 |
| December 28, 1987[(3)] | 1,770 | 100 | 100 | Cash | Further Allotment[(3)] | 3,267 | 3,26,700 |
| March 26, 1990[(4)] | 1,733 | 100 | 100 | Cash | Further Allotment[(4)] | 5,000 | 5,00,000 |
| February 25, 1993[(5)] | 10,091 | 100 | 100 | Cash | Further Allotment[(5)] | 15,091 | 15,09,100 |
| August 03, 1996[(6)] | 10,409 | 100 | 100 | Cash | Further Allotment[(6)] | 25,500 | 25,50,000 |
| March 30, 2001[(7)] | 68,500 | 100 | 100 | Cash | Further Allotment[(7)] | 94,000 | 94,00,000 |
| March 27, 2002[(8)] | 56,000 | 100 | 100 | Cash | Further Allotment[(8)] | 1,50,000 | 1,50,00,000 |
| June 24, 2004[(9)] | 1,50,000 | 100 | 100 | Cash | Further Allotment[(9)] | 3,00,000 | 3,00,00,000 |
| Pursuant to a resolution passed by our Shareholders at the EGM dated January 05, 2006, the Equity Shares of face value of ₹ 100/- each were sub-divided into Equity Shares of face value of ₹10/- each. | | | | | | | |
| January 14, 2006[(10)] | 1,00,000 | 10 | 100 | Cash | Further Allotment[(10)] | 31,00,000 | 3,10,00,000 |
| March 29, 2006[(11)] | 1,66,800 | 10 | 90 | Cash | Further Allotment[(11)] | 32,66,800 | 3,26,68,000 |
| March 29, 2007[(12)] | 24,930 | 10 | 100 | Cash | Further Allotment[(12)] | 32,91,730 | 3,29,17,300 |
| March 30, 2007[(13)] | 1,50,000 | 10 | 100 | Cash | Further Allotment[(13)] | 34,41,730 | 3,44,17,300 |
| April 14, 2007[(14)] | 1,00,000 | 10 | 100 | Cash | Further Allotment[(14)] | 35,41,730 | 3,54,17,300 |
| April 30, 2007[(15)] | 1,00,000 | 10 | 100 | Cash | Further Allotment[(15)] | 36,41,730 | 3,64,17,300 |
| March 31, 2010[(16)] | 1,00,000 | 10 | 100 | Cash | Further Allotment[(16)] | 37,41,730 | 3,74,17,300 |
| October 15, 2011[(17)] | 3,00,000 | 10 | 100 | Cash | Further Allotment[(17)] | 40,41,730 | 4,04,17,300 |
| February 15, 2013[(18)] | 2,50,000 | 10 | 100 | Cash | Further Allotment[(18)] | 42,91,730 | 4,29,17,300 |

*[#]we are unable to trace the resolution passed by the Board of Directors of our Company and relevant form filings from the Company and Registrar of Companies for approving the issuance of Equity Shares and therefore have relied upon the Allotment Register and*

*Counter Folio of Share Certificate Book provided by the Company. For risks relating to the same, please refer to the Risk Factor No. 40 from the section titled "Risk Factors" beginning on Page No. 24 of this Prospectus.*

(1) *Subscription of to the MOA for the total of 30 Equity Shares by Krishankant Tarachand Gupta (10 Equity Shares), Vijaykumar Jawaharlal Gupta (10 Equity Shares) and Madanlal Hiralal Gupta (10 Equity Shares).*

(2) *Further Allotment of a total of 1,467 Equity Shares to Krishankant Tarachand Gupta (35 Equity Shares), Madanlal Hiralal Gupta (10 Equity Shares), Radheyshyam Hiralal Gupta (586 Equity Shares), Satishkumar Hiralal Gupta (586 Equity Shares) and Vijaykumar Jawaharlal Gupta (250 Equity Shares).*

(3) *Further Allotment of a total of 1,770 Equity Shares to Radheshyam Hiralal Gupta (10 Equity Shares), Satishkumar Hiralal Gupta (10 Equity Shares) and M/s Shree Krishna Silk Mills (1,750 Equity Shares).*

(4) *Further Allotment of a total of 1,733 Equity Shares to Hemantkumar Shivlal Gupta (150 Equity Shares), Jagdishprasad Gupta (150 Equity Shares), Maheshkant Tarachand Gupta (400 Equity Shares), Naredrakumar Radheshyam Gupta (150 Equity Shares), Shyamsundar Shivlal Gupta (300 Equity Shares), Surendrakumar Tarachand Gupta (300 Equity Shares), Tarachand Kaluram Gupta (200 Equity Shares) and Vijaykumar Jawaharlal Gupta (83 Equity Shares).*

(5) *Further Allotment of a total of 10,091 Equity Shares to Amitkumar Jaiprakash Gupta (200 Equity Shares), Ashadevi Madanlal Gupta (1,000 Equity Shares), Bimladevi Shivlal Gupta (600 Equity Shares), M/s Jagdishprasad Gupta HUF (435 Equity Shares), M/s Jaiprakash Gupta HUF (200 Equity Shares), Krishankant Tarachand Gupta (102 Equity Shares), Mayadevi Surendra Gupta (800 Equity Shares), Mithleshdevi Vijaykumar Gupta (600 Equity Shares), Pushpadevi J. Gupta (600 Equity Shares), Ratneshdevi Satishkumar Gupta (1,000 Equity Shares), Sarojdevi Jagdishprasad Gupta (500 Equity Shares), Sashidevi Krishankant Gupta (800 Equity Shares), M/s Shivlal Gupta HUF (600 Equity Shares), Shyamsundar Shivlal Gupta (300 Equity Shares), Surendrakumar Tarachand Gupta (800 Equity Shares), Tarachand Kaluram Gupta (1,000 Equity Shares) and Vijaykumar Jawaharlal Gupta (554 Equity Shares).*

(6) *Further Allotment of a total of 10,409 Equity Shares to Ajaykumar Jaiprakash Gupta (20 Equity Shares), Bimladevi Radheshyam Gupta (20 Equity Shares), Jaiprakash Gupta (750 Equity Shares), Kailashchand Gupta (800 Equity Shares), M/s Kailashchand Gupta HUF (30 Equity Shares), M/s Krishankant Gupta HUF (50 Equity Shares), Krishankant Tarachand Gupta (955 Equity Shares), Krishnakumar Satishkumar Gupta (20 Equity Shares), Laxmidevi Kailashchand Gupta (20 Equity Shares), M/s Madanlal Gupta HUF (20 Equity Shares), Madanlal Hiralal Gupta (788 Equity Shares), Mahadevi Hiralal Gupta (1,000 Equity Shares), Maheshkant Tarachand Gupta (750 Equity Shares), Manjudevi Shyamsundar Gupta (20 Equity Shares), M/s Mukeshkumar Gupta HUF (30 Equity Shares), Mukeshkumar Kailashchand Gupta (20 Equity Shares), M/s Radheshyam Gupta HUF (101 Equity Shares), Radheshyam Hiralal Gupta (750 Equity Shares), Sapnadevi Hemant Gupta (20 Equity Shares), Satishkumar Hiralal Gupta (750 Equity Shares), M/s Satishkumar Gupta HUF (20 Equity Shares), Seemadevi Maheshkant Gupta (50 Equity Shares), Shakuntaladevi Tarachand Gupta (117 Equity Shares), Shivlal Jawaharlal Gupta (1,000 Equity Shares), Sunitadevi Mukesh Gupta (20 Equity Shares), M/s Surendrakumar Gupta HUF (50 Equity Shares), Surendrakumar Tarachand Gupta (750 Equity Shares), M/s Tarachand Gupta HUF (50 Equity Shares), Tarachand Kaluram Gupta (698 Equity Shares), Vijaykumar Jawaharlal Gupta (720 Equity Shares) and M/s Vijaykumar Gupta HUF (20 Equity Shares).*

(7) *Further Allotment of a total of 68,500 Equity Shares to Ajaykumar Jaiprakash Gupta (1,235 Equity Shares), Amitkumar Jaiprakash Gupta (6,445 Equity Shares), Ashadevi Madanlal Gupta (1,500 Equity Shares), Bimladevi Shivlal Gupta (1,000 Equity Shares), Hemantkumar Shivlal Gupta (1,250 Equity Shares), Jaiprakash Gupta (680 Equity Shares), M/s Kailashchand Gupta HUF (1,000 Equity Shares), Kaushik Satishkumar Gupta (55 Equity Shares), M/s Krishankant Gupta HUF (1,000 Equity Shares), Krishankant Tarachand Gupta (5,390 Equity Shares), Krishnakumar Satishkumar Gupta (1,780 Equity Shares), Lokeshkumar Vijaykumar Gupta (1,035 Equity Shares), M/s Madanlal Gupta HUF (1,000 Equity Shares), Madanlal Hiralal Gupta (5,360 Equity Shares), Mahadevi Hiralal Gupta (1,250 Equity Shares), Maheshkant Tarachand Gupta (7,350 Equity Shares), Mayadevi Surendra Gupta (2,000 Equity Shares), Mithleshdevi Vijaykumar Gupta (1,000 Equity Shares), M/s Mukeshkumar Gupta HUF (1,000 Equity Shares), Mukeshkumar Kailashchand Gupta (1,250 Equity Shares), Narendrakumar Radheshyam Gupta (5,360 Equity Shares), Neelam Amit Gupta (1,250 Equity Shares), Radheshyam Hiralal Gupta (2,525 Equity Shares), Ratneshdevi Satishkumar Gupta (1,000 Equity Shares), Sapnadevi Hemant Gupta (1,250 Equity Shares), Sarojdevi Jagdishprasad Gupta (1,500 Equity Shares), M/s Satishkumar Gupta HUF (1,000 Equity Shares), Shashidevi Krishankant Gupta (2,000 Equity Shares), Shyamsundar Shivlal Gupta (1,020 Equity Shares), M/s Surendrakumar Gupta HUF (500 Equity Shares), Surendrakumar Tarachand Gupta (45 Equity Shares), Tarachand Kaluram Gupta (2,620 Equity Shares) and Vijaykumar Jawaharlal Gupta (5,850 Equity Shares).*

(8) *Further Allotment of a total of 56,000 Equity Shares to Ajaykumar Jaiprakash Gupta (1,430 Equity Shares), Amitkumar Jaiprakash Gupta (1,750 Equity Shares), Ashadevi Madanlal Gupta (1,000 Equity Shares), Bimladevi Radheshyam Gupta (750 Equity Shares), Bimladevi Shivlal Gupta (2,000 Equity Shares), Jaiprakash Jawaharlal Gupta (1,960 Equity Shares), Kailashchand Gupta (1,000 Equity Shares), M/s Kailashchand Gupta HUF (1,250 Equity Shares), Kaushik Satishkumar Gupta (900 Equity Shares), M/s Krishankant Gupta HUF (1,000 Equity Shares), Krishankant Tarachand Gupta (2,200 Equity Shares), Krishnakumar Satishkumar Gupta (1,430 Equity Shares), Lokeshkumar Vijaykumar Gupta (1,520 Equity Shares), M/s Madanlal Gupta HUF (750 Equity Shares), Madanlal Hiralal Gupta (1,500 Equity Shares), Mahadevi Hiralal Gupta (1,500 Equity Shares), Maheshkant Tarachand Gupta (2,000 Equity Shares), Manjudevi Shyamsundar Gupta (1,000 Equity Shares), Mayadevi Surendra Gupta (2,000 Equity Shares), Mithleshdevi Vijaykumar Gupta (1,000 Equity Shares), M/s Mukeshkumar Gupta HUF (1,250 Equity Shares), Mukeshkumar Kailashchand Gupta (1,560 Equity Shares), Radheshyam Hiralal Gupta (2,650 Equity Shares), Ratneshdevi Satishkumar Gupta (500 Equity Shares), Sarojdevi Jagdishprasad Gupta (1,250 Equity Shares), Satishkumar Hiralal Gupta (1,000 Equity Shares), Seemadevi Maheshkant Gupta (1,000 Equity Shares), Sashidevi Krishankant Gupta (2,000 Equity Shares), M/s Shivlal Gupta HUF (2,000 Equity Shares), Shivlal Jawaharlal Gupta (1,000 Equity Shares), Shyamsundar Shivlal Gupta (750 Equity Shares), Sunitadevi Mukesh Gupta (1,500 Equity Shares), M/s Surendrakumar Gupta HUF (500 Equity Shares), Surendrakumar Tarachand Gupta (4,000 Equity Shares), Tarachand Kaluram Gupta (4,250 Equity Shares), Vijaykumar Jawaharlal Gupta (1,600 Equity Shares) and M/s*

*Vijaykumar Gupta HUF (1,250 Equity Shares).*

(9) *Further Allotment of a total of 1,50,000 Equity Shares to Ajaykumar Jaiprakash Gupta (1,600 Equity Shares), Amitkumar Jaiprakash Gupta (1,350 Equity Shares), Bimladevi Radheshyam Gupta (660 Equity Shares), Bimladevi Shivlal Gupta (1,000 Equity Shares), Hemantkumar Shivlal Gupta (1,400 Equity Shares), M/s Jaiprakash Gupta HUF (3,000 Equity Shares), Jaiprakash Jawaharlal Gupta (1,000 Equity Shares), M/s Kanchanjunga Impex Private Limited (1,10,000 Equity Shares), Kaushik Satishkumar Gupta (150 Equity Shares), Krishankant Tarachand Gupta (3,000 Equity Shares), Krishnakumar Satishkumar Gupta (400 Equity Shares), Lokeshkumar Vijaykumar Gupta (2,250 Equity Shares), M/s Madanlal Gupta HUF (850 Equity Shares), Mahadevi Hiralal Gupta (2,000 Equity Shares), Maheshkant Tarachand Gupta (700 Equity Shares), Mayadevi Surendra Gupta (750 Equity Shares), Mithleshdevi Vijaykumar Gupta (500 Equity Shares), Mukeshkumar Kailashchand Gupta (1,000 Equity Shares), Narendrakumar Radheshyam Gupta (2,000 Equity Shares), Neelam Amit Gupta (750 Equity Shares), M/s Radheshyam Gupta HUF (2,000 Equity Shares), Sapnadevi Hemant Gupta (750 Equity Shares), Sarojdevi Jagdishprasad Gupta (1,250 Equity Shares), Seemadevi Maheshkant Gupta (500 Equity Shares), Shakuntaladevi Tarachand Gupta (4,000 Equity Shares), Shashidevi Krishankant Gupta (750 Equity Shares), Shyamsundar Shivlal Gupta (1,370 Equity Shares), Sunitadevi Mukesh Gupta (720 Equity Shares), Surendrakumar Tarachand Gupta (1,000 Equity Shares), Vijaykumar Jawaharlal Gupta (2,000 Equity Shares) and M/s Vijaykumar Gupta HUF (1,300 Equity Shares).*

(10) *Further Allotment of a total of 1,00,000 Equity Shares to Ajaykumar Jaiprakash Gupta (1,000 Equity Shares), Amitkumar Jaiprakash Gupta (800 Equity Shares), Hemantkumar Shivlal Gupta (1,500 Equity Shares), Kailashchand Gupta (500 Equity Shares), M/s Kanchanjunga Impex Private Limited (27,800 Equity Shares), Krishankant Tarachand Gupta (500 Equity Shares), Krishnakumar Satishkumar Gupta (800 Equity Shares), Lokeshkumar Vijaykumar Gupta (500 Equity Shares), Madanlal Hiralal Gupta (1,300 Equity Shares), Maheshkant Tarachand Gupta (1,000 Equity Shares), Mukeshkumar Kailashchand Gupta (1,000 Equity Shares), Neelam Amit Gupta (600 Equity Shares), Radheshyam Hiralal Gupta (1,000 Equity Shares), Ratneshdevi Satishkumar Gupta (500 Equity Shares), Sapnadevi Hemant Gupta (600 Equity Shares), Satishkumar Hiralal Gupta (1,000 Equity Shares), Shivlal Jawaharlal Gupta (1,500 Equity Shares), M/s Shreshta Leasing & Finance Limited (55,600 Equity Shares), Sunitadevi Mukesh Gupta (1,000 Equity Shares), Surendrakumar Tarachand Gupta (500 Equity Shares) and Vijaykumar Jawaharlal Gupta (1,000 Equity Shares).*

(11) *Further Allotment of a total of 1, 66,800 Equity Shares to M/s Kalpana Steelcon Private Limited (55,600 Equity Shares), M/s Kalyani Textile Private Limited (55,600 Equity Shares) and M/s Smita Syntex Private Limited (55,600 Equity Shares).*

(12) *Further Allotment of a total of 24,930 Equity Shares to M/s Kamal Textiles.*

(13) *Further Allotment of a total of 1, 50,000 Equity Shares to M/s Kalpana Steelcon Private Limited (50,000 Equity Shares), M/s Reynolds Petrochem Limited (50,000 Equity Shares) and M/s Shreshta Leasing & Finance Limited (50,000 Equity Shares).*

(14) *Further Allotment of a total of 1, 00,000 Equity Shares to M/s Heera Textiles.*

(15) *Further Allotment of a total of 1, 00,000 Equity Shares to M/s Heera Textiles.*

(16) *Further Allotment of a total of 1, 00,000 Equity Shares to M/s Heera Textiles.*

(17) *Further Allotment of a total of 3, 00,000 Equity Shares to M/s Heera Textiles.*

(18) *Further Allotment of a total of 2,50,000 Equity Shares to Ashadevi Madanlal Gupta (2,000 Equity Shares), M/s Heera Textiles (2,25,000 Equity Shares), Jaiprakash Gupta (2,000 Equity Shares), Maheshkant Tarachand Gupta (2,000 Equity Shares), Radheshyam Hiralal Gupta (3,000 Equity Shares), Sarojdevi Jagdishprasad Gupta (1,500 Equity Shares), Satishkumar Hiralal Gupta (500 Equity Shares), Shakuntaladevi Tarachand Gupta (4,000 Equity Shares), Shyamsundar Shivlal Gupta (2,000 Equity Shares), M/s Tarachand Gupta HUF (3,000 Equity Shares) and Vijaykumar Jawaharlal Gupta (5,000 Equity Shares).*

2) **Preference Share capital history of our Company**

Our Company does not have any preference share capital as on the date of this Prospectus.

3) As on date of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

4) As of date of this Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.

5) Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.

6) Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Prospectus.

7) **Shareholding Pattern of our Company**

The table below represents the shareholding pattern of our Company as on the date of this Prospectus:

| Category (I) | Category of Shareholder (II) | No. of Shareholders (III) | No. of fully paid-up Equity Shares held (IV) | No. of Partly paid-up Equity Shares held (V) | No. of shares underlying depository receipts (VI) | Total No. of shares held (VII) = (IV)+(V)+ (++VI) | Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares underlying outstanding convertible securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities No. (a) | No. of locked-in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | No. of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class (Equity) | Total | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (A) | Promoters and Promoter Group | 10 | 23,30,999 | - | - | 23,30,999 | 54.31 | 23,30,999 | 23,30,999 | 54.31 | - | 54.31 | - | - | - | - | 54.31 |
| (B) | Public | 18 | 19,60,731 | - | - | 19,60,731 | 45.69 | 19,60,731 | 19,60,731 | 45.69 | - | 45.69 | - | - | - | - | 45.69 |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying depository receipt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by employee trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | | **28** | **42,91,730** | - | - | **42,91,730** | **100.00** | **42,91,730** | **42,91,730** | **100.00** | - | **100.00** | - | - | - | - | **100.00** |

*Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchange before commencement of trading of such Equity Shares. The Equity Shares held by our Promoters and members of our Promoter Group are in dematerialized form.*

8) **Other details of shareholding of our Company:**

a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Prospectus:

| Sr. No. | Particulars | No. of Equity Shares | % of Shares to Pre – Issue Equity Share Capital |
|---|---|---|---|
| 1. | Krishankant Gupta | 4,05,307 | 9.44% |
| 2. | Vijaykumar Gupta | 3,97,318 | 9.26% |
| 3. | Madanlal Gupta | 4,59,406 | 10.70% |
| 4. | Mahesh Kant Gupta | 4,45,307 | 9.44% |
| 5. | Surendra Gupta | 4,05,307 | 9.44% |
| 6. | Shashi Gupta | 55,500 | 1.29% |
| 7. | Shakuntaladevi Gupta | 48,144 | 1.12% |
| 8. | Sachin Kumar Gupta | 48,550 | 1.13% |
| 9. | Mayadevi Gupta | 55,500 | 1.29% |
| 10. | Kaushik Gupta | 3,61,644 | 8.43% |
| 11. | Narendra Gupta | 77,988 | 1.82% |
| 12. | Saroj Devi Gupta | 52,350 | 1.22% |
| 13. | Arun Gupta | 3,67,116 | 8.55% |
| 14. | Ajay Gupta | 43,850 | 1.02% |
| 15. | Amit Gupta | 4,12,005 | 9.60% |
| 16. | Hemant Gupta | 4,06,856 | 9.48% |
| 17. | Shyamsunder Gupta | 49,600 | 1.16% |
| | **Total** | **40,91,748** | **95.34%** |

b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Prospectus:

| Sr. No. | Particulars | No. of Equity Shares | % of Shares to Pre – Issue Equity Share Capital |
|---|---|---|---|
| 1. | Krishankant Gupta | 4,05,307 | 9.44% |
| 2. | Vijaykumar Gupta | 3,97,318 | 9.26% |
| 3. | Madanlal Gupta | 4,59,406 | 10.70% |
| 4. | Mahesh Kant Gupta | 4,45,307 | 9.44% |
| 5. | Surendra Gupta | 4,05,307 | 9.44% |
| 6. | Shashi Gupta | 55,500 | 1.29% |
| 7. | Shakuntaladevi Gupta | 48,144 | 1.12% |
| 8. | Sachin Kumar Gupta | 48,550 | 1.13% |
| 9. | Mayadevi Gupta | 55,500 | 1.29% |
| 10. | Kaushik Gupta | 3,61,644 | 8.43% |
| 11. | Narendra Gupta | 77,988 | 1.82% |
| 12. | Saroj Devi Gupta | 52,350 | 1.22% |
| 13. | Arun Gupta | 3,67,116 | 8.55% |
| 14. | Ajay Gupta | 43,850 | 1.02% |
| 15. | Amit Gupta | 4,12,005 | 9.60% |
| 16. | Hemant Gupta | 4,06,856 | 9.48% |
| 17. | Shyamsunder Gupta | 49,600 | 1.16% |
| | **Total** | **40,91,748** | **95.34%** |

c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Prospectus:

| Sr. No. | Particulars | No. of Equity Shares | % of Shares to Pre – Issue Equity Share Capital |
|---|---|---|---|
| 1. | Krishankant Gupta | 4,05,307 | 9.44% |
| 2. | Vijaykumar Gupta | 3,97,318 | 9.26% |
| 3. | Madanlal Gupta | 4,59,406 | 10.70% |
| 4. | Mahesh Kant Gupta | 4,45,307 | 9.44% |
| 5. | Surendra Gupta | 4,05,307 | 9.44% |
| 6. | Shashi Gupta | 55,500 | 1.29% |
| 7. | Shakuntaladevi Gupta | 48,144 | 1.12% |

| | | | |
|---|---|---|---|
| 8. | Sachin Kumar Gupta | 48,550 | 1.13% |
| 9. | Mayadevi Gupta | 55,500 | 1.29% |
| 10. | Kaushik Gupta | 3,61,644 | 8.43% |
| 11. | Narendra Gupta | 77,988 | 1.82% |
| 12. | Saroj Devi Gupta | 52,350 | 1.22% |
| 13. | Arun Gupta | 3,67,116 | 8.55% |
| 14. | Ajay Gupta | 43,850 | 1.02% |
| 15. | Amit Gupta | 4,12,005 | 9.60% |
| 16. | Hemant Gupta | 4,06,856 | 9.48% |
| 17. | Shyamsunder Gupta | 49,600 | 1.16% |
| | **Total** | **40,91,748** | **95.34%** |

d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Prospectus:

| Sr. No. | Particulars | No. of Equity Shares | % of Shares to Pre – Issue Equity Share Capital |
|---|---|---|---|
| 1. | Krishankant Gupta | 4,05,307 | 9.44% |
| 2. | Vijaykumar Gupta | 3,97,318 | 9.26% |
| 3. | Madanlal Gupta | 4,59,406 | 10.70% |
| 4. | Mahesh Kant Gupta | 4,45,307 | 9.44% |
| 5. | Surendra Gupta | 4,05,307 | 9.44% |
| 6. | Shashi Gupta | 55,500 | 1.29% |
| 7. | Shakuntaladevi Gupta | 48,144 | 1.12% |
| 8. | Sachin Kumar Gupta | 48,550 | 1.13% |
| 9. | Mayadevi Gupta | 55,500 | 1.29% |
| 10. | Kaushik Gupta | 3,61,644 | 8.43% |
| 11. | Narendra Gupta | 77,988 | 1.82% |
| 12. | Saroj Devi Gupta | 52,350 | 1.22% |
| 13. | Arun Gupta | 3,67,116 | 8.55% |
| 14. | Ajay Gupta | 43,850 | 1.02% |
| 15. | Amit Gupta | 4,12,005 | 9.60% |
| 16. | Hemant Gupta | 4,06,856 | 9.48% |
| 17. | Shyamsunder Gupta | 49,600 | 1.16% |
| | **Total** | **40,91,748** | **95.34%** |

e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of this Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Prospectus.

9) Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

10) **Shareholding of our Promoters**

Set forth below are the details of the build-up of shareholding of our Promoter:

| Date of Allotment / Transfer | Nature of Transaction | Consideration | No. of Equity Shares | F.V. (in ₹) | Issue / Transfer Price (in ₹) | Cumulative no. of Equity Shares | % of Pre-Issue Equity Paid Up Capital | % of Post- Issue Equity Paid Up Capital |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| **Krishankant Gupta[#]** | | | | | | | | |
| September 17, 1985 | Subscription to MoA | Cash | 10 | 100 | 100 | 10 | Negligible | Negligible |
| December 17, 1986 | Further Allotment | Cash | 35 | 100 | 100 | 45 | 0.01% | Negligible |
| February 25, 1993 | Further Allotment | Cash | 102 | 100 | 100 | 147 | 0.03% | Negligible |
| August 03, 1996 | Further Allotment | Cash | 955 | 100 | 100 | 1,102 | 0.26% | 0.02% |
| March 30, 2001 | Further Allotment | Cash | 5,390 | 100 | 100 | 6,492 | 1.51% | 0.11% |
| March 27, 2002 | Further Allotment | Cash | 2,200 | 100 | 100 | 8,692 | 2.03% | 0.15% |
| June 24, 2004 | Further Allotment | Cash | 3,000 | 100 | 100 | 11,692 | 2.72% | 0.20% |
| Pursuant to a resolution passed by our Shareholders at the EGM dated January 05, 2006, the Equity Shares of face value of ₹ 100/- each were sub-divided into Equity Shares of face value of ₹10/- each. | | | | | | | | |
| January 14, 2006 | Further Allotment | Cash | 500 | 10 | 100 | 1,17,420 | 2.74% | 2.00% |
| March 15, 2006 | Transfer | Cash | 2974 | 10 | 100 | 1,20,394 | 2.81% | 2.05% |
| March 25, 2012 | Transfer | Cash | 33000 | 10 | 100 | 1,53,394 | 3.57% | 2.61% |
| March 27, 2012 | Transfer | Cash | -33000 | 10 | 100 | 1,20,394 | 2.81% | 2.05% |
| May 06, 2018 | Transfer | Cash | 33000 | 10 | 100 | 1,53,394 | 3.57% | 2.61% |
| May 06, 2018 | Transfer | Cash | 33000 | 10 | 100 | 1,86,394 | 4.34% | 3.17% |
| May 06, 2018 | Transfer | Cash | 1000 | 10 | 100 | 1,87,394 | 4.37% | 3.19% |
| May 06, 2018 | Transfer | Cash | 26913 | 10 | 100 | 2,14,307 | 4.99% | 3.65% |
| May 06, 2018 | Transfer | Cash | 24930 | 10 | 100 | 2,39,237 | 5.57% | 4.07% |
| May 06, 2018 | Transfer | Cash | 20500 | 10 | 100 | 2,59,737 | 6.05% | 4.42% |
| May 06, 2018 | Transfer | Cash | 32000 | 10 | 100 | 2,91,737 | 6.80% | 4.97% |
| May 06, 2018 | Transfer | Cash | 1000 | 10 | 100 | 2,92,737 | 6.82% | 4.98% |
| May 06, 2018 | Transfer | Cash | 33000 | 10 | 100 | 3,25,737 | 7.59% | 5.54% |
| May 06, 2018 | Transfer | Cash | 33000 | 10 | 100 | 3,58,737 | 8.36% | 6.11% |
| May 06, 2018 | Transfer | Cash | 33000 | 10 | 100 | 3,91,737 | 9.13% | 6.67% |
| May 06, 2018 | Transfer | Cash | 33000 | 10 | 100 | 4,24,737 | 9.90% | 7.23% |
| May 06, 2018 | Transfer | Cash | 33000 | 10 | 100 | 4,57,737 | 10.67% | 7.79% |
| May 06, 2018 | Transfer | Cash | 33000 | 10 | 100 | 4,90,737 | 11.43% | 8.35% |
| May 06, 2018 | Transfer | Cash | 55600 | 10 | 100 | 5,46,337 | 12.73% | 9.30% |
| May 06, 2018 | Transfer | Cash | 1000 | 10 | 100 | 5,47,337 | 12.75% | 9.32% |
| May 06, 2018 | Transfer | Cash | 1000 | 10 | 100 | 5,48,337 | 12.78% | 9.33% |
| May 07, 2018 | Transfer | Cash | -73488 | 10 | 100 | 4,74,849 | 11.06% | 8.08% |
| May 07, 2018 | Transfer | Cash | -43432 | 10 | 100 | 4,31,417 | 10.05% | 7.34% |
| May 07, 2018 | Transfer | Cash | -26106 | 10 | 100 | 4,05,311 | 9.44% | 6.90% |
| May 19, 2018 | Transfer | Cash | -4 | 10 | 100 | 4,05,307 | 9.44% | 6.90% |
| | | | | | **Total** | **4,05,307** | **9.44%** | **6.90%** |

| Vijaykumar Gupta[#] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| September 17, 1985 | Subscription to MoA | Cash | 10 | 100 | 100 | 10 | Negligible | Negligible |
| December 17, 1986 | Further Allotment | Cash | 250 | 100 | 100 | 260 | 0.06% | Negligible |
| March 26, 1990 | Further Allotment | Cash | 83 | 100 | 100 | 343 | 0.08% | 0.01% |
| February 25, 1993 | Further Allotment | Cash | 554 | 100 | 100 | 897 | 0.21% | 0.02% |
| August 03, 1996 | Further Allotment | Cash | 720 | 100 | 100 | 1617 | 0.38% | 0.03% |
| March 25, 2001 | Transfer | Cash | 20 | 100 | 100 | 1637 | 0.38% | 0.03% |
| March 30, 2001 | Further Allotment | Cash | 5,850 | 100 | 100 | 7,487 | 1.74% | 0.13% |
| March 27, 2002 | Further Allotment | Cash | 1,600 | 100 | 100 | 9,087 | 2.12% | 0.15% |
| June 24, 2004 | Further Allotment | Cash | 2,000 | 100 | 100 | 11,087 | 2.58% | 0.19% |
| Pursuant to a resolution passed by our Shareholders at the EGM dated January 05, 2006, the Equity Shares of face value of ₹ 100/- each were sub-divided into Equity Shares of face value of ₹10/- each | | | | | | | | |
| January 14, 2006 | Further Allotment | Cash | 1,000 | 10 | 100 | 1,11,870 | 2.61% | 1.90% |
| March 15, 2006 | Transfer | Cash | 2,888 | 10 | 100 | 1,14,758 | 2.67% | 1.95% |
| March 25, 2012 | Transfer | Cash | 33,000 | 10 | 100 | 1,47,758 | 3.44% | 2.51% |
| March 26, 2012 | Transfer | Cash | -33,000 | 10 | 100 | 1,14,758 | 2.67% | 1.95% |
| February 15, 2013 | Further Allotment | Cash | 5,000 | 10 | 100 | 1,19,758 | 2.79% | 2.04% |
| May 18, 2018 | Transfer | Cash | 4,357 | 10 | 100 | 1,24,115 | 2.89% | 2.11% |
| May 18, 2018 | Transfer | Cash | 23,087 | 10 | 100 | 1,47,202 | 3.43% | 2.51% |
| May 18, 2018 | Transfer | Cash | 1,55,000 | 10 | 100 | 3,02,202 | 7.04% | 5.14% |
| May 18, 2018 | Transfer | Cash | 2,25,000 | 10 | 100 | 5,27,202 | 12.28% | 8.97% |
| May 18, 2018 | Transfer | Cash | 25,500 | 10 | 100 | 5,52,702 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -2 | 10 | 100 | 5,52,700 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -2 | 10 | 100 | 5,52,698 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -2 | 10 | 100 | 5,52,696 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -2 | 10 | 100 | 5,52,694 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -2 | 10 | 100 | 5,52,692 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -2 | 10 | 100 | 5,52,690 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -2 | 10 | 100 | 5,52,688 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -10 | 10 | 100 | 5,52,678 | 12.88% | 9.41% |
| May 18, 2018 | Transfer | Cash | -10 | 10 | 100 | 5,52,668 | 12.88% | 9.41% |
| May 19, 2018 | Transfer | Cash | -1,48,516 | 10 | 100 | 4,04,152 | 9.42% | 6.88% |
| May 19, 2018 | Transfer | Cash | -6,856 | 10 | 100 | 3,97,296 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 1 | 10 | 100 | 3,97,297 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 5 | 10 | 100 | 3,97,302 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 2 | 10 | 100 | 3,97,304 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 2 | 10 | 100 | 3,97,306 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 2 | 10 | 100 | 3,97,308 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 2 | 10 | 100 | 3,97,310 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 2 | 10 | 100 | 3,97,312 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 2 | 10 | 100 | 3,97,314 | 9.26% | 6.76% |
| May 19, 2018 | Transfer | Cash | 4 | 10 | 100 | 3,97,318 | 9.26% | 6.76% |
| | | | | | **Total** | **3,97,318** | **9.26%** | **6.76%** |

| Madanlal Gupta[#] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| September 17, 1985 | Subscription to MoA | Cash | 10 | 100 | 100 | 10 | Negligible | Negligible |
| December 17, 1986 | Further Allotment | Cash | 10 | 100 | 100 | 20 | Negligible | Negligible |
| August 03, 1996 | Further Allotment | Cash | 788 | 100 | 100 | 808 | 0.19% | 0.01% |
| March 30, 2001 | Further Allotment | Cash | 5,360 | 100 | 100 | 6168 | 1.44% | 0.10% |
| March 27, 2002 | Further Allotment | Cash | 1,500 | 100 | 100 | 7668 | 1.79% | 0.13% |
| Pursuant to a resolution passed by our Shareholders at the EGM dated January 05, 2006, the Equity Shares of face value of ₹ 100/- each were sub-divided into Equity Shares of face value of ₹10/- each | | | | | | | | |
| January 14, 2006 | Further Allotment | Cash | 1,300 | 10 | 100 | 77,980 | 1.82% | 1.33% |
| March 25, 2012 | Transfer | Cash | 33,000 | 10 | 100 | 1,10,980 | 2.59% | 1.89% |
| March 26, 2012 | Transfer | Cash | -33,000 | 10 | 100 | 77,980 | 1.82% | 1.33% |
| May 08, 2018 | Transfer | Cash | 35,000 | 10 | 100 | 1,12,980 | 2.63% | 1.92% |
| May 08, 2018 | Transfer | Cash | 2,000 | 10 | 100 | 1,14,980 | 2.68% | 1.96% |
| May 08, 2018 | Transfer | Cash | 50,000 | 10 | 100 | 1,64,980 | 3.84% | 2.81% |
| May 08, 2018 | Transfer | Cash | 55,600 | 10 | 100 | 2,20,580 | 5.14% | 3.75% |
| May 08, 2018 | Transfer | Cash | 55,600 | 10 | 100 | 2,76,180 | 6.44% | 4.70% |
| May 08, 2018 | Transfer | Cash | 26,200 | 10 | 100 | 3,02,380 | 7.05% | 5.15% |
| May 08, 2018 | Transfer | Cash | 50,000 | 10 | 100 | 3,52,380 | 8.21% | 6.00% |
| May 08, 2018 | Transfer | Cash | 55,600 | 10 | 100 | 4,07,980 | 9.51% | 6.94% |
| May 08, 2018 | Transfer | Cash | 1,40,643 | 10 | 100 | 5,48,623 | 12.78% | 9.34% |
| May 08, 2018 | Transfer | Cash | -54,149 | 10 | 100 | 4,94,474 | 11.52% | 8.42% |
| May 08, 2018 | Transfer | Cash | -35,063 | 10 | 100 | 4,59,411 | 10.70% | 7.82% |
| May 19, 2018 | Transfer | Cash | -5 | 10 | 100 | 4,59,406 | 10.70% | 7.82% |
| | | | | | **Total** | **4,59,406** | **10.70%** | **7.82%** |

*[#]we are unable to trace the resolution passed by the Board of Directors of our Company for approval of transfers and certain form filings by the Company with Registrar of Companies. Therefore, we have relied upon the Transfer Register available and Affidavit provided by the Promoters of our Company in this regard. For risks relating to the same, please refer to the Risk Factor No. 41 from the section titled "Risk Factors" beginning on Page No. 24 of this Prospectus.*

11) As on the date of this Prospectus, the Company has 28 (Twenty Eight) members/shareholders.

12) The details of the Shareholding of the members of the Promoter Group as on the date of this Prospectus are set forth in the table below:

| Sr. No. | Name of the Shareholders | Pre-Issue | | Post-Issue | |
|---|---|---|---|---|---|
| | | Number of Equity Shares | % of Pre-Issue Equity Share Capital | Number of Equity Shares | % of Post-Issue Equity Share Capital |
| ***Promoters*** | | | | | |
| 11. | Krishankant Gupta | 4,05,307 | 9.44% | 4,05,307 | 6.90% |
| 12. | Vijaykumar Gupta | 3,97,318 | 9.26% | 3,97,318 | 6.76% |
| 13. | Madanlal Gupta | 4,59,406 | 10.70% | 4,59,406 | 7.82% |
| ***Promoter Group*** | | | | | |
| 14. | Mahesh Kant Gupta | 4,45,307 | 10.38% | 4,45,307 | 7.58% |
| 15. | Surendra Gupta | 4,05,307 | 9.44% | 4,05,307 | 6.90% |
| 16. | Shashi Gupta | 55,500 | 1.29% | 55,500 | 0.94% |
| 17. | Shakuntaladevi Gupta | 48,144 | 1.12% | 48,144 | 0.82% |
| 18. | Satish Gupta | 35,160 | 0.82% | 35,160 | 0.60% |
| 19. | Sachin Kumar Gupta | 48,550 | 1.13% | 48,550 | 0.83% |
| 20. | Mithleshdevi Gupta | 31,000 | 0.72% | 31,000 | 0.53% |
| **Total** | | **23,30,999** | **54.31%** | **23,30,999** | **39.67%** |

13) The Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Prospectus is filed with Stock Exchange.

14) There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company 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 (06) months immediately preceding the date of filing of this Prospectus.

15) **Promoter's Contribution and other Lock-In details:**

Pursuant to Regulation 236 and 238 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 Promoter' Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

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

Following are the details of Minimum Promoter's Contribution:

| Nature of Allotment / Transfer | Number of Equity Shares locked-in*(1)(2)(3) | Date of Allotment and Date when made fully paid-up | Face value (in ₹) | Issue / Acquisition Price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | % of fully diluted post-Issue paid-up capital | Period of lock-in |
|---|---|---|---|---|---|---|---|
| ***Krishankant Gupta*** | | | | | | | |
| Transfer | 29,773 | May 06, 2018 | 10 | 100 | Cash | 0.51% | 3 years |
| | 1000 | | | | | 0.02% | |
| | 26913 | | | | | 0.46% | |
| | 24930 | | | | | 0.42% | |
| | 20500 | | | | | 0.35% | |
| | 32000 | | | | | 0.54% | |
| | 1000 | | | | | 0.02% | |
| | 33000 | | | | | 0.56% | |

| Nature of Allotment / Transfer | Number of Equity Shares locked-in*(1)(2)(3) | Date of Allotment and Date when made fully paid-up | Face value (in ₹) | Issue / Acquisition Price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | % of fully diluted post-Issue paid-up capital | Period of lock-in |
|---|---|---|---|---|---|---|---|
| ***Krishankant Gupta*** | | | | | | | |
| | 33000 | | | | | 0.56% | |
| | 33000 | | | | | 0.56% | |
| | 33000 | | | | | 0.56% | |
| | 33000 | | | | | 0.56% | |
| | 33000 | | | | | 0.56% | |
| | 55600 | | | | | 0.95% | |
| | 1000 | | | | | 0.02% | |
| | 1000 | | | | | 0.02% | |
| **SUB-TOTAL** | **3,91,716** | | **10** | | | **6.67%** | |
| ***Vijaykumar Gupta*** | | | | | | | |
| Transfer | 1,41,215 | May 18, 2018 | 10 | 100 | Cash | 2.40% | 3 years |
| | 2,25,000 | | | | | 3.83% | |
| | 25,500 | | | | | 0.43% | |
| **SUB-TOTAL** | **3,91,715** | | **10** | | | **6.67%** | |
| ***Madanlal Gupta*** | | | | | | | |
| Transfer | 8,072 | May 08, 2018 | 10 | 100 | Cash | 0.14% | 3 years |
| | 55,600 | | | | | 0.95% | |
| | 55,600 | | | | | 0.95% | |
| | 26,200 | | | | | 0.45% | |
| | 50,000 | | | | | 0.85% | |
| | 55,600 | | | | | 0.95% | |
| | 1,40,643 | | | | | 2.39% | |
| **SUB-TOTAL** | **3,91,715** | | **10** | | | **6.67%** | |
| | | | | | | | |
| **TOTAL** | **11,75,146** | | **10** | | | **20.00%** | 3 years |

****** Subject to finalisation of Basis of Allotment.*

*(1)For a period of three years from the date of allotment.*

*(2)All Equity Shares have been fully paid-up at the time of allotment.*

*(3) All Equity Shares held by our Promoters are in dematerialized form.*

For details on the build-up of the Equity Share capital held by our Promoters, refer *"Shareholding of our Promoters"* under chapter titled *"Capital Structure"* beginning on Page No. 57 of this Prospectus.

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 Promoter' Contribution under Regulation 237 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 237 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 during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters' contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoters upon conversion of a partnership firm;

- Equity Shares held by the Promoters that are subject to any pledge; and

- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

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 Promoters' Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Prospectus till the date of commencement of lock in period as stated in this 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 Promoter' Contribution, as per Regulation 238 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.

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

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be Transfer to any other person holding the Equity Shares which are locked-in as per Regulation 239 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 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be Transfer 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 242(a) 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 or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

16) Our Company, our Promoters, our Directors and the Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

17) The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.

18) There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Prospectus.

19) No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, 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, except for fees or commission for services rendered in relation to the Issue.

20) There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.

21) Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Prospectus.

22) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

23) Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing this Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.

24) All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus.

25) As on the date of this Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

26) Our Promoters and the members of our Promoter Group will not participate in the Issue.

27) Following are the details of Equity Shares of our Company held by our Directors and Key Management Personnel:

| Sr. No. | Name of Director / KMP | Number of Equity Shares | % of the pre-Issue Equity Share Capital | % of the post-Issue Equity Share Capital |
|---|---|---|---|---|
| 1. | Krishankant Gupta | 4,05,307 | 9.44% | 6.90% |
| 2. | Vijaykumar Gupta | 3,97,318 | 9.26% | 6.76% |
| 3. | Madanlal Gupta | 4,59,406 | 10.70% | 7.82% |
| 4. | Hemant Kumar Gupta | 4,06,856 | 9.48% | 6.92% |

28) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.

29) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under *"Basis of Allotment"* in the chapter titled *"Issue Procedure"* beginning on Page No. 196 of this Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.

30) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

31) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

32) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines

33) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.

As on date of this Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

## OBJECTS OF THE ISSUE

**Requirement of Funds**

Our Company proposes to utilize the funds which are being raised through this Issue **("Net Proceeds")** towards the following objects:

a) Funding the working capital requirements of the company
b) General Corporate Purposes

(Collectively referred as **"Objects"**)

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

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

**Issue Proceeds & Net Proceeds**

The details of the proceeds of the Issue are set out in the following table:

*(₹ in lacs)*

| Particulars | Amount |
|---|---|
| Gross Proceeds of the Issue | 443.52 |
| Less: Issue related expenses | 42.50 |
| **Net Proceeds of the Issue** | **401.02** |

**Utilization of Net Proceeds**

The proposed utilization of Net Proceeds is set forth as stated below:

*(₹ in lacs)*

| Sr. No. | Particulars | Amount | % of Net Proceeds |
|---|---|---|---|
| 1. | Funding the working capital requirements of the company | 400.00 | 99.75% |
| 2. | General Corporate Purposes | 1.02 | 0.25% |
| | **Total** | **401.02** | **100.00%** |

**Requirement of Funds and Means of Finance**

The fund requirements mentioned above are based on the internal management estimates of our Company which are not been verified or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates and requirements from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations.

Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

Accordingly we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 104(1)(d) of the SEBI (ICDR), Regulations, 2018, as amended, through verifiable means towards 75% of the stated means of finance excluding the amount to be raised the net proceeds and existing identifiable internal accruals.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer chapter titled *"Risk Factors"* beginning on Page No. 24 of this Prospectus.

**DETAILS OF THE FUND REQUIREMENTS**

**1) Funding of working capital requirements**

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and financing from various banks and financial institutions. Our Company's existing working capital requirement and funding on the basis of Restated Standalone Financial Statements for Fiscal 2022 are as stated below:

***(₹ in lacs)***

| Particulars | Fiscal 2020 (Restated) | Fiscal 2021 (Restated) | Fiscal 2022 (Restated) |
|---|---|---|---|
| **Current Assets** | | | |
| Inventories | | | |
| - Raw Materials | 2,342.08 | 2,544.86 | 2621.38 |
| - Finished Goods | 2,937.16 | 3,182.08 | 3182.08 |
| - Semi-Finished Goods | - | - | - |
| Trade Receivables | 3,829.96 | 3,310.32 | 3,682.04 |
| Cash and Bank Balance | 21.80 | 184.88 | 18.79 |
| Short term loans & advances | 713.06 | 974.26 | 805.34 |
| Other Current Assets | - | 5.14 | - |
| **Total (A)** | **9,844.06** | **10,201.54** | **10,309.63** |
| **Current Liabilities** | | | |
| Trade Payables | 1,501.89 | 951.43 | 1,607.51 |
| Other Current Liabilities | 176.46 | 105.36 | 159.56 |
| Short Term Provision | 48.51 | 51.81 | 27.04 |
| **Total (B)** | **1,726.86** | **1,108.60** | **1,794.11** |
| **Total Working Capital (A)-(B)** | **8,117.20** | **9,092.94** | **8,515.52** |
| | | | |
| **Funding Pattern** | | | |
| Short-term borrowings from banks | 5,628.23 | 6,151.71 | 6186.13 |
| Long-term borrowings (Term loans taken for working capital requirement) | 1,582.98 | 1,911.24 | 1973.79 |
| Net worth / Internal Accruals | 905.99 | 1,029.99 | 355.60 |

**Basis of estimation of working capital requirement**

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated July 27, 2022 has approved the business plan for the Fiscal 2023. The estimated and projected working capital requirements for Fiscal 2023 is stated below:

***(₹ in lacs)***

| Particulars | Fiscal 2023 (Projected) |
|---|---|
| **Current Assets** | |
| Inventories | |
| - Raw Materials | 3,000.00 |
| - Finished Goods | - |
| - Semi-Finished Goods | 2,850.00 |
| Trade Receivables | 5,080.00 |
| Cash and Bank Balance | 8.00 |
| Short term loans & advances | 443.00 |
| Other Current Assets | 5.00 |
| **Total (A)** | **11,386.00** |
| **Current Liabilities** | |
| Trade Payables | 1,110.00 |

| Particulars | Fiscal 2023 (Projected) |
|---|---|
| Other Current Liabilities & Short Term Provision | 405.00 |
| **Total (B)** | **1,514.00** |
| **Total Working Capital (A)-(B)** | **9,872.00** |
| | |
| **Funding Pattern** | |
| Short-term borrowings from banks/others | **6,500.00** |
| Long-term borrowings (Term loans taken for working capital requirement) | **2,200.00** |
| Networth / Internal Accruals | **772.00** |
| Proceeds from IPO | **400.00** |

**Assumption for working capital requirements:**

***(In days)***

| Particulars | Holding Level for Fiscal 2021 (Restated) | Holding Level for Fiscal 2022 | Holding Level for Fiscal 2023 (Projected) |
|---|---|---|---|
| Trade Receivables | 194 | 103 | 74 |
| Trade Payables | 62 | 15 | 17 |
| Inventory | 273 | 131 | 85 |

**Justification for "Holding Period" levels**

The justifications for the holding levels mentioned in the table above are provided below:

| | |
|---|---|
| **Current Assets** | |
| Trade receivables | Our company is engaged in grey cloth and readymade garment manufacturing. The payment is released by the customer on the delivery of the products or periodically as agreed between the parties. |
| **Current Liabilities** | |
| Trade Payables | We intend to decrease the credit period expected from our creditors due to fulfilment of our working capital requirements through our proposed initial public Issue. This would help us in maintaining good relations with our creditors. |

Our Company proposes to utilize ₹ 400.00 lacs of the Net Proceeds in Fiscal 2023 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2023 will be arranged from borrowings and internal accruals/net worth.

**2) General corporate purposes**

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for General corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

a) strategic initiatives, partnerships, joint ventures and acquisitions;
b) brand building and strengthening of promotional & marketing activities; and
c) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "Utilization of Net proceeds" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

**ISSUE RELATED EXPENSES**

The total estimated Issue Expenses are ₹ 42.50 lacs, which is 9.58% of the total Issue Size. The details of the Issue Expenses are tabulated below:

| Sr. No. | Particulars | Amount (₹ in lacs) | % of Total Expenses | % of Total Issue Size |
|---|---|---|---|---|
| 1. | Issue Management fees including Merchant Banking fees and Market Making fees, Underwriting fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses | 31.00 | 72.94% | 6.99% |
| 2. | Advertising and Marketing Expenses | 1.50 | 3.53% | 0.34% |
| 3. | Fees payable to the to the Regulators including stock exchange(s) | 5.00 | 11.76% | 1.13% |
| 4. | Printing & Stationery, Distribution, Postage, etc. | 1.00 | 2.35% | 0.23% |
| 5. | Brokerage and selling commission[(1)(2)(3)] | 0.50 | 1.18% | 0.11% |
| 6. | Other Expenses (Banker's to the Issue, Auditor's fees etc.) | 3.50 | 8.24% | 0.79% |
| | **Total Estimated Issue Expense** | **42.50** | **100.00%** | **9.58%** |

*[(1)]The SCSBs and other intermediaries will be entitled to a commission of ₹ 10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.*

*[(2)]The SCSBs would be entitled to processing fees of ₹ 10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.*

*[(3)]Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.*

**Proposed Schedule of Implementation**

Our Company plans to deploy the funds towards the above stated Objects during FY 2023, depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year.

**Deployment of Funds**

Based on the certificate from M/s Mittal & Associates, Chartered Accountants dated July 27, 2022, the Company has deployed amounts aggregating ₹ 17.00 lacs towards issue related expenses as on July 27, 2022.

**Appraisal and Bridge Loans**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue.

However if the Company avails any bridge loans from the date of this Prospectus upto the date of the IPO; the same shall be refunded from the IPO proceeds and related details will be updated in the Prospectus or likewise.

**Monitoring of Utilization of Funds**

As the size of the Issue will not exceed ₹ 10,000 lacs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

**Interim Use of Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act, 1934. Our Company confirms that it shall not use the Net Proceeds for any purpose other than abovementioned objects.

**Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

**Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 28/- per Equity Shares and is 2.8 time of the face value. Investors should read the following basis with the sections titled *"Risk Factors", "Financial Information"* and the chapter titled *"Our Business"* beginning on Page Nos. 24, 154 and 109, respectively of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

**Qualitative Factors**

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

- Consistency in Quality and Service Standards
- Scalable Business Model
- Product Mix and Market Mix
- Cost effective production and timely fulfilment of orders
- Experienced management and dedicated employee base
- Wide sales and distribution network

For further details, please refer chapters titled *"Risk Factors"* and *"Our Business"* beginning on Page No. 24 and 109, respectively of this Prospectus.

**Quantitative Factors**

The information presented in this section for the Fiscals ended March 31,2022 ,2021 and 2020 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled *"Restated Financial Information"* beginning on Page No. 154 of this Prospectus.

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), as adjusted for changes in capital**

*(in ₹)*

| Year ended | EPS | Weight |
|---|---|---|
| FY 2019-20 | 2.54 | 1 |
| FY 2020-21 | 0.82 | 2 |
| FY 2021-22 | 4.39 | 3 |
| **Weighted Average** | **2.89** | |

**Note:**

*1.* The ratios have been computed as below:

$$\text{Basic Earnings per Share (₹)} = \frac{\text{Net profit/ (loss) as restated,attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

$$\text{Diluted Earnings per Share (₹)} = \frac{\text{Net profit/ (loss) as restated,attributable to Equity Shareholders}}{\text{Weighted average number of Diluted Equity Shares outstanding during the year/period}}$$

Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighing factor.

The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

**2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ 28/- per Equity Share of ₹ 10/- each**

| Particulars | P/E (no. of times) |
|---|---|
| a) P/E ratio based on Basic and Diluted EPS as at March 31, 2022 | 6.37 |
| b) P/E ratio based on Basic and Diluted EPS as at March 31, 2021 | 34.15 |
| c) P/E ratio based on Basic and Diluted EPS as at March 31, 2020 | 11.02 |
| d) P/E ratio based on Weighted Average EPS | 21.63 |

**3. Industry Price / Earning (P/E) Ratio**

| Particulars | Industry P/E |
|---|---|
| Highest | 96.03 |
| Lowest | 13.40 |
| Average | 54.71 |

***Note:***

*The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.*

**4. Return on Net Worth (RoNW):**

| Year ended | RoNW (%) | Weight |
|---|---|---|
| FY 2019-20 | 3.80 | 1 |
| FY 2020-21 | 1.21 | 2 |
| FY 2021-22 | 6.09 | 3 |
| **Weighted Average** | **4.08** | |

Note: Return on Net worth has been calculated as per the following formula:

$$\text{RONW} = \frac{\text{Net profit/loss after tax,as restated}}{\text{Net worth excluding revaluation reserve}}$$

Networth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

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

| Particulars | NAV per Share (₹) |
|---|---|
| As on March 31, 2021 | 67.69 |
| As on March 31, 2022 | 72.12 |
| Net Asset Value per Equity Share after the Issue | 60.22 |
| Issue price per Equity Share | 28 |

**Note:**

a) Net Asset Value has been calculated as per the following formula:

b) $\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year/period}}$

c) Networth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

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

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses:

| Name of the Company | CMP* | EPS (₹) | Face Value (₹) | P/E Ratio | RoNW (%) | NAV Per Share | Revenue (₹ in lacs) |
|---|---|---|---|---|---|---|---|
| **Peer Group** | | | | | | | |
| Page Industries Limited | 47,399.00 | 481.03 | 10 | 96.03 | 49.28% | 976.01 | 3,90,744.14 |
| Indian Terrain Fashions Limited | 51.25 | (0.54) | 2 | N.A. | (1.12)% | 47.83 | 34,364.00 |
| Monte Carlo Fashions Limited | 748.00 | 54.96 | 10 | 13.40 | 16.58% | 331.50 | 92,980.89 |
| **The Company** | | | | | | | |
| Veekayem Fashion and Apparels Limited | 28 | 4.39 | 10 | 6.37 | 6.09 | 72.12 | 14,947.02 |

**Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the filings made with stock exchanges, available on www.nseindia.com / www.bseindia.com for the Financial Year ending March 31, 2022.*

*Source for Veekayem Fashion and Apparels Limited: Based on the Restated Financial Statements for the year ended March 31, 2022. P/E Ratio has be computed at the Issue Price.*

***Notes:***

a) Considering the nature and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.
b) Current Market Price (CMP) is the closing prices of respective scripts as on July 27, 2022.
c) P/E Ratio has been computed based on the closing market price of Equity Shares on July 27, 2022, divided by the Basic EPS.
d) RoNW is computed as net profit after tax attributable to Equity Shareholders divided by net worth as at March 31, 2022.
e) NAV is computed as the closing net worth divided by the closing outstanding number of Equity Shares.

**7. The Issue Price is 2.8 times of the Face Value of the Equity Shares.**

The Company in consultation with the Lead Manager believes that the Issue price of ₹ 28/- per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10/- per share and the Issue Price is 2.8 times of the face value i.e. ₹ 28/- per share.

## STATEMENT OF TAX BENEFITS

**To,**
**The Board of Directors**
**VEEKAYEM FASHION AND APPARELS LIMITED**
113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road,
Goregaon East, Mumbai - 400063

Dear Sirs,

**Sub: Statement of possible special tax benefits available to VEEKAYEM FASHION AND APPARELS LIMITED ("the Company") and its shareholders under direct and indirect tax laws**

We refer to the proposed issue of equity shares of **VEEKAYEM FASHION AND APPARELS LIMITED** ("the Company"). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2021, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India for inclusion in the Draft Prospectus ("DP") for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

**LIMITATIONS**

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is 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 and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express*

*understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

*This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).*

**For Mittal & Associates**
**Chartered Accountants**
**FRN – 106456W**

**Sd/-**
**Hemant Bohra**
**Partner**
**Membership No. - 165667**
**UDIN – 22165667ANTDBJ5065**

**Place: Mumbai**
**Date: July 27, 2022**

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

**Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2021 i.e., applicable for Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India

**A. SPECIAL TAX BENEFITS TO THE COMPANY**

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has not opted section 115BAA for the assessment year 2021-22 and 2022-23.

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

**Indirect Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

**A. SPECIAL TAX BENEFITS TO THE COMPANY**

There are no special tax benefits available to the Company under GST law.

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

## SECTION IV – ABOUT THE COMPANY

## INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, 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.*

### Global Economic Overview

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

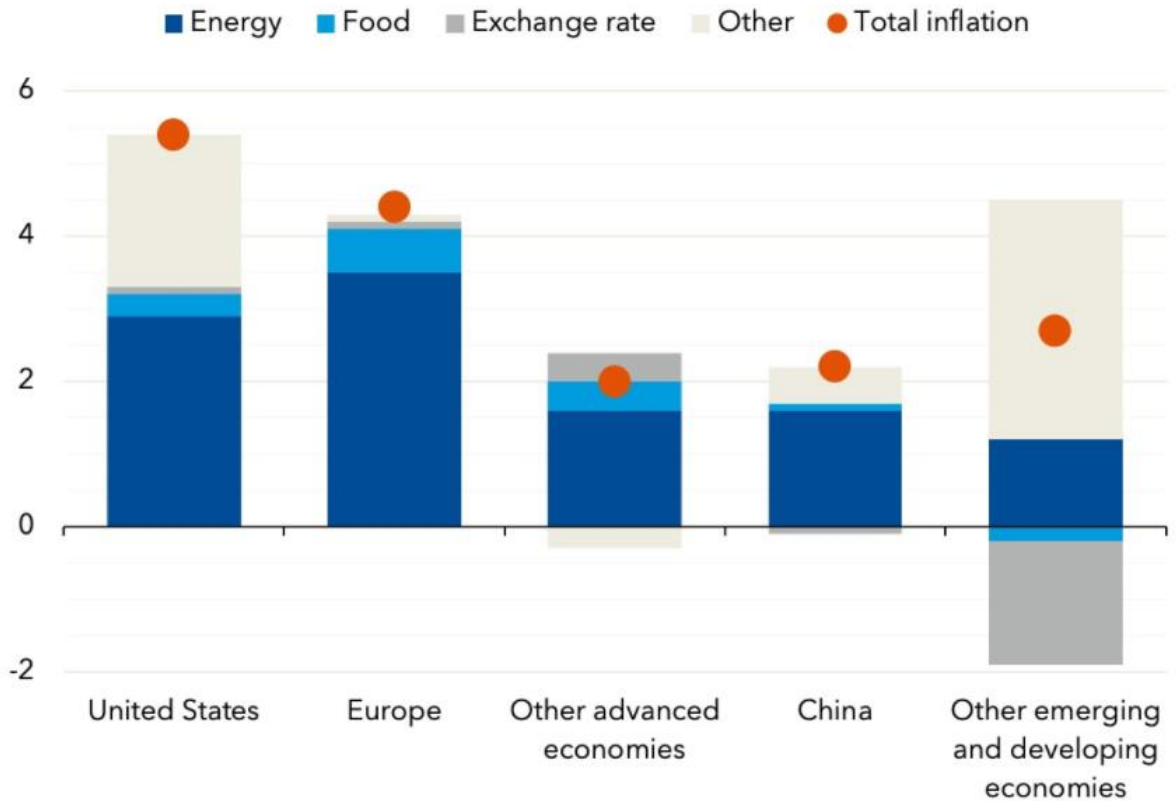
Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

The following graph shows the rise in inflation across the globe due to varying factors.



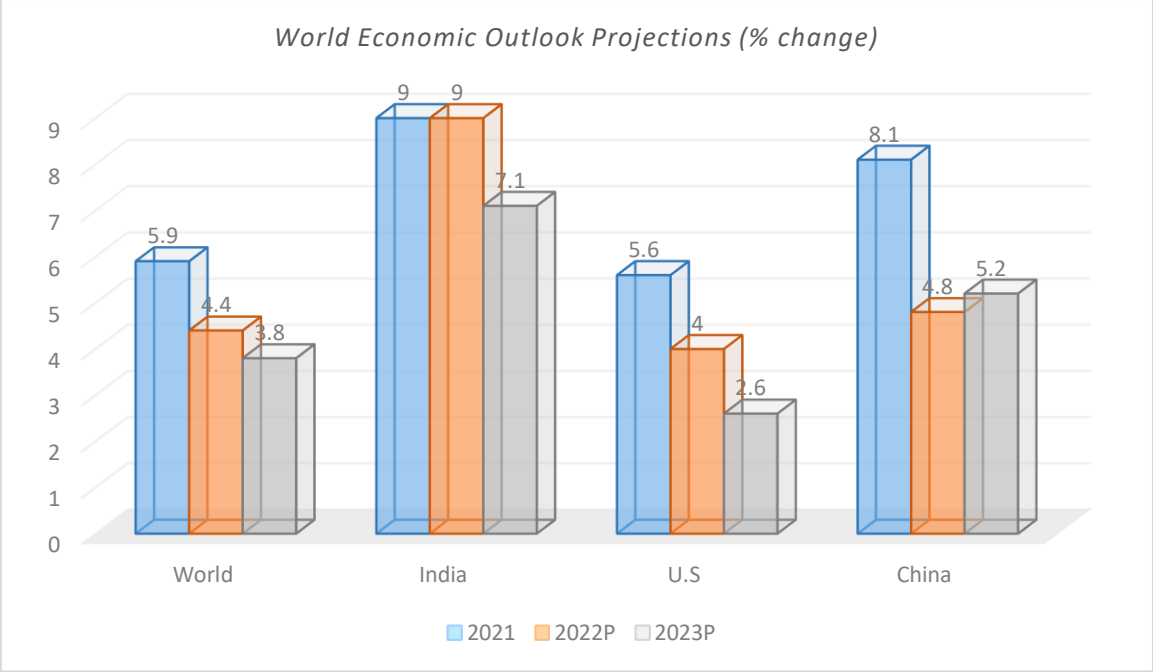

*(Source: [https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022](https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022))*

**Emerging Markets Lead the Rebound**

Emerging markets, excluding China, have faced numerous cyclical challenges in recent years. Now, with more favourable COVID-19 dynamics in many developing nations, emerging markets could set the pace for global growth. Morgan Stanley economists expect this momentum to continue into next year. At the same time, emerging markets should benefit from widening U.S. current account deficits, low U.S. real interest rates, a weaker dollar, and accommodative macroeconomic policies.

*World Economic Outlook Projections (% change)*

| | 2021 | 2022P | 2023P |
|---|---|---|---|
| **World Output** | **5.9** | **4.4** | **3.8** |
| **Advanced Economies** | **5** | **3.9** | **2.6** |
| India | 9 | 9 | 7.1 |
| U.S | 5.6 | 4 | 2.6 |
| France | 6.7 | 3.5 | 1.8 |
| Brazil | 4.7 | 0.3 | 1.6 |
| Russia | 4.5 | 2.8 | 2.1 |
| Japan | 1.6 | 3.3 | 1.8 |
| U.K | 7.2 | 4.7 | 2.3 |
| Germany | 2.7 | 3.8 | 2.5 |
| China | 8.1 | 4.8 | 5.2 |
| **Emerging Market & Developing Economies** | **6.5** | **4.8** | **4.7** |




*(Source: [https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022](https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022))*

**Indian Economic Overview**

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22.

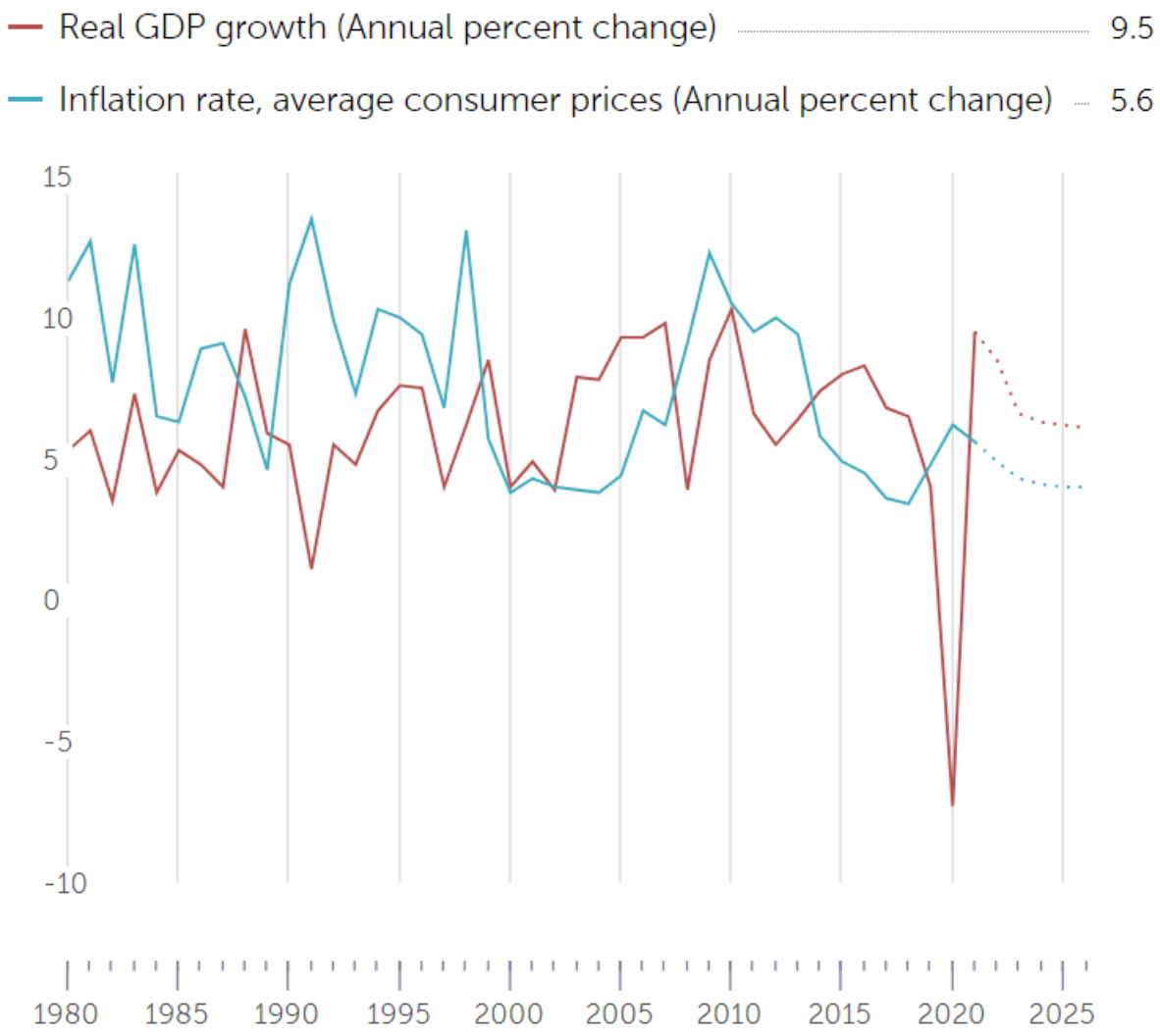
India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

According to data from the Department of Economic Affairs, as of August 27, 2021, foreign exchange reserves in India reached US$ 633.5 billion mark.

*(Source: [https://www.ibef.org/economy/indian-economy-overview](https://www.ibef.org/economy/indian-economy-overview))*

**GDP and Inflation rate in India**




*(Source: [https://www.imf.org/en/Countries/IND](https://www.imf.org/en/Countries/IND))*

India's economy is poised for a rebound after enduring a second wave of COVID-19 infections this year that further constrained activity and took a heavy toll on its people.
India's broad range of fiscal, monetary and health responses to the crisis supported its recovery and, along with economic reforms, are helping to mitigate a longer-lasting adverse impact of the crisis.




*(Source: [https://www.imf.org/en/News/Articles/2021/11/02/na111121-indias-economy-to-rebound-as-pandemic-prompts-reforms](https://www.imf.org/en/News/Articles/2021/11/02/na111121-indias-economy-to-rebound-as-pandemic-prompts-reforms))*

Following the deadly 'second wave,' growth in FY22 is expected to be nearer to the lower bound of the range of 7.5 to 12.5 percent – still putting India among the fastest growing economies in the world. The pace of vaccination, which is increasing, will determine economic prospects this year and beyond. Successful implementation of agriculture and labor reforms would boost medium-term growth, while weakened household and corporate balance sheets may constrain it. The economic slowdown triggered by the outbreak is believed to have had a significant impact especially on poor and vulnerable households. Recent projections of GDP per capita growth, taking into account the impact of the pandemic, suggest that poverty rates in 2020 have likely reverted to estimated levels in 2016.

The informal sector, where the vast majority of India's labor force is employed, has been particularly affected. As in most countries, the pandemic has exacerbated vulnerabilities for traditionally excluded groups, such as youth, women, and migrants. Labor market indicators suggest that urban households are now more vulnerable to fall into poverty than they were before the onset of the pandemic.

The response of the government to the COVID-19 outbreak has been swift and comprehensive. A national lockdown to contain the health emergency was complemented by a comprehensive policy package to mitigate the impact on the poorest households (through various social protection measures) as well as on small and medium enterprises (through enhanced liquidity and financial support).

To build back better, it will be essential for India to stay focused on reducing inequality, even as it implements growth-oriented reforms to get the economy back on track. The World Bank is partnering with the government in this effort by helping strengthen policies, institutions, and investments to create a better future for the country and the people through green, resilient an inclusive development.

In response to the COVID-19 shock, the government and the Reserve Bank of India took several monetary and fiscal policy measures to support vulnerable firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy. Thanks in part to these proactive measures, the economy is expected to rebound.
*(Source: https://www.worldbank.org/en/country/india/overview#1)*

Real GDP of India increased by 8.4% YoY in Q2 of FY 22, recovering more than 100% of pre-pandemic output in the equivalent quarter of FY 20. India is one of the few countries to have gR for four consecutive quarters in Covid-19 (Q3, Q4 of FY21 and Q1, Q2 of FY22), demonstrating the economy's resiliency.

The recovery was fuelled by a resurgence in the services sector, a complete recovery in manufacturing, and continued expansion in the agriculture sector. In addition to successful pandemic management and signalling impact of promised measures, recovery was aided by a quick increase in vaccine coverage from 32% of the adult population at the end of Q1 to 75% at the end of Q2 of FY 22. According to the latest GDP estimates issued by the NSO, the Indian economy increased by 8.4% YoY in Q2 of FY 22, after growing by 20.1% YoY the previous quarter.
*(Source: https://www.ibef.org/economy/monthly-economic-report)*

**Global Textile Market**

The textile industry works on three major principles, namely designing, production, and distribution of different flexible materials such as yarn and clothing. A wide array of processes such as knitting, crocheting, weaving, and others are largely used to manufacture a wide range of finished and semi-finished goods in bedding, clothing, apparel, medical, and other accessories.

The U.S. is anticipated to be the largest market in the North American region for textiles. It is one of the largest producers, raw-cotton exporter, and top raw-textile importer. Fashion is the largest application segment in the region owing to the fast-changing fashionable trends and ease of adoption for the same due to increasing online fast fashion companies.

There has been an increasing trend of smart textiles in the market that use optical fibers, metals, and various conductive polymers to interact with the environment. These help in detecting and reacting to various physical stimuli such as mechanical, thermal, or chemical and electric sources. This is expected to propel the growth of the technical application segment in the market for textile during the forecast period.

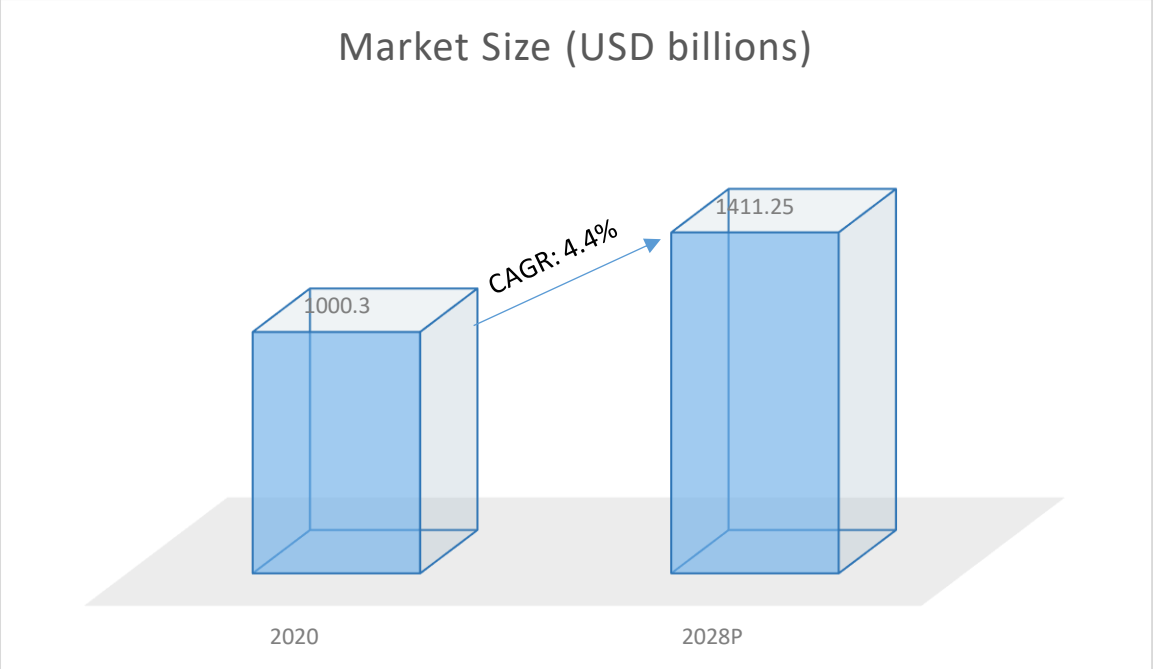
Increasing consumer preference towards sustainable products is forcing major textile companies to focus on restructuring their business and investing in manufacturing practices that target sustainable products. For instance, DuPont’s plant-based faux fur for performance fashion apparel and Eastman's usage of discarded carpet into new material is expected to open new industry avenues over the forecast period.

**Impact of Covid-19 on Global Textile Industry**

The recent outbreak of coronavirus disease has acted as a restraint to the market. Global trade restrictions due to disrupted supply chain and decline in textile product consumption amid imposed lockdown have further negatively impacted the market. However, the market is expected to recover strongly during the forecast period with government support and increasing public awareness in terms of effective precautionary measures.

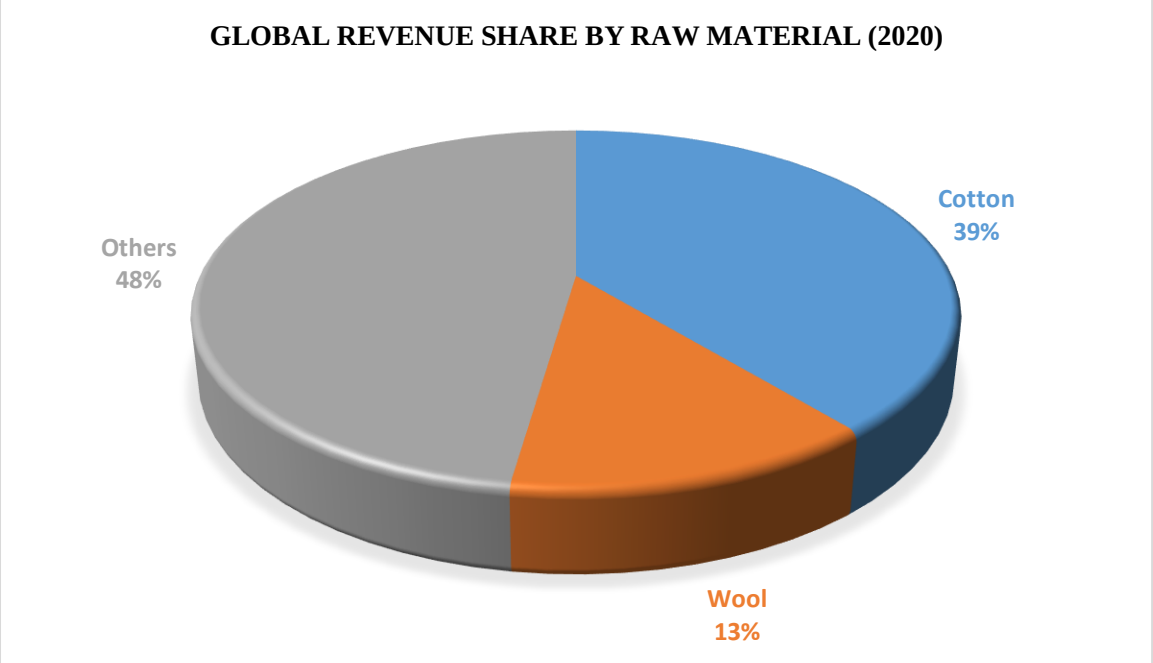
**Market size**

The global textile market size was projected at USD 1000.3 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 4.4% from 2021 to 2028. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market over the forecast period.




**Raw Material Insights**

Cotton led the market for textile and accounted for the largest revenue share of more than 39.0% in 2020. Cotton is the world's most important natural fiber, which is attributed to its superior properties such as high strength, absorption, and color retention. China, India, and the U.S. are the major producers of cotton and cotton-based products in the world.




Chemical-based textiles accounted for a volume share equivalent to 98,052.6 kilotons in 2020, as they play an important role in the entire textile manufacturing industry. Though chemicals are hazardous to human health and the environment, they are extensively used as mercerizing agents, neutralizers, levelling agents, binders, thickeners, and stain-removers in the textile industry.

The wool segment accounted for a revenue share of 13.3% in 2020. Wool primarily composed of hydrogen, carbon, sulphur, and nitrogen, is extensively used to manufacture insulation products such as winter wears, blankets, carpeting, upholstery, and others. In addition, the products made from the same are used to absorb odour and noise in heavy machinery, thereby contributing to segment growth.

Other raw materials used in the production of textiles are silk, minerals such as glass fibers and asbestos, and other synthetic material. Silk finds extensive use in the manufacturing of clothing, surgical suture, parachutes, silk comforter, and various others owing to high strength and elasticity, which is expected to drive the segment over the forecast period.

**Product insights**

*Natural fibers*

It has led the market for textile and accounted for over 44.0% share of the global revenue in 2020, on account of their use in the diverse application of the fashion and apparel industry. Increasing environmental concerns coupled with the consumer shift to use sustainable products is further expected to increase the demand for natural fibers, thereby aiding positive growth in the market.

*Polyester*

It is expected to witness a growth rate of 4.2% from 2021 to 2028, which can be attributed to its different properties such as high-strength, chemical and wrinkle resistance, and quick-drying. It is used in both, households as cushioning and insulating material in the pillows, and in industries for making carpets, air-filters, coated fabrics, and others.

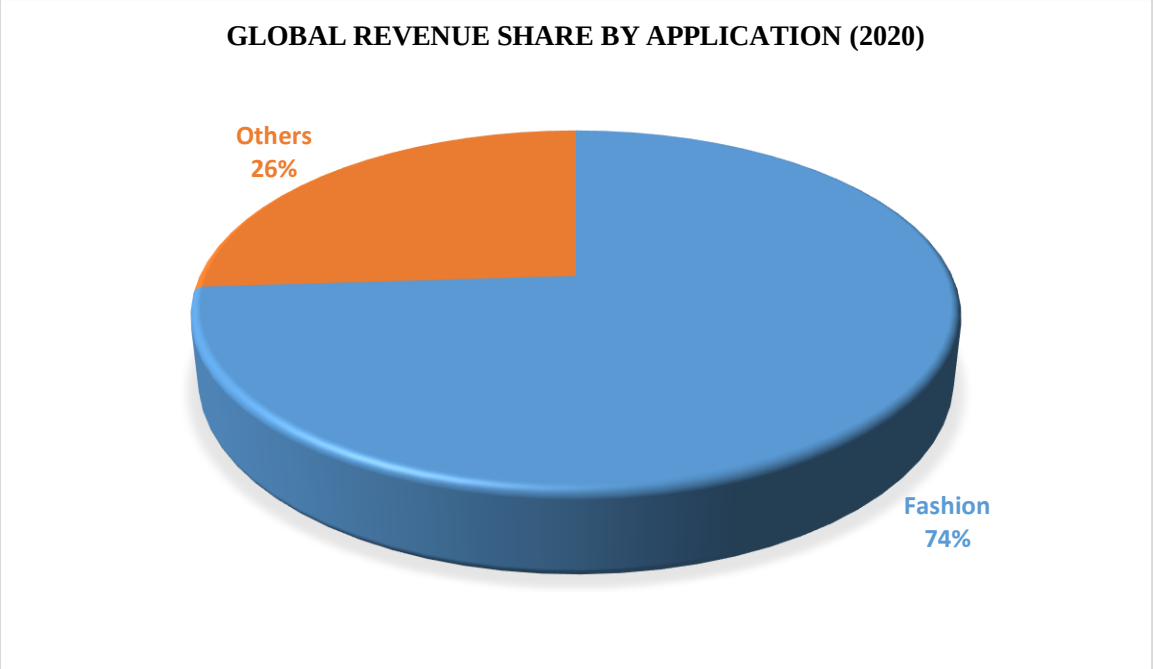
*Nylon*

It is the third-largest product used in the textiles industry. It is widely used in apparel and home-furnishing applications owing to its high-resilience, elasticity, and moisture-absorbing properties. In addition, it acts as a substitute for silk-based products such as women's stockings, parachutes, flak vests, and various others.

The other product segment includes Polyethylene (PE), Polypropylene (PP), aramid, and polyamide. Properties such as high resistance against acids and alkalis at high temperatures and minimum moisture retention have increased the demand for polyethylene in the market. Moreover, the use of polypropylene in the textile industry is adding positive growth to the market.

**Application Insights**

The fashion segment led the textile market and accounted for more than 74.0% of the global revenue share in 2020, owing to the increasing consumer spending on clothing and apparel. In addition, high consumer requirements for crease-free suiting and shirting fabrics, as well as quality dyed and printed fabrics across the globe, is likely to drive the global market demand for textiles from 2021 to 2028.




An increase in demand for formal and casual wear and other fashionable clothing among all age groups of the global population is the major growth driving factor for the market. Moreover, increasing population and urbanization in the emerging economies such as India, Bangladesh, Vietnam, Brazil, and others are likely to increase the demand for clothing and apparel, thereby positively contributing to the market.

Demand for textiles in the technical segment is expected to grow at a significant rate of 3.7% over the projected period, owing to its high-performance properties and end-user applications. In addition, increasing applications in construction, transportation, medical and protective clothing have boosted the use of the same, which is consequently driving the market.

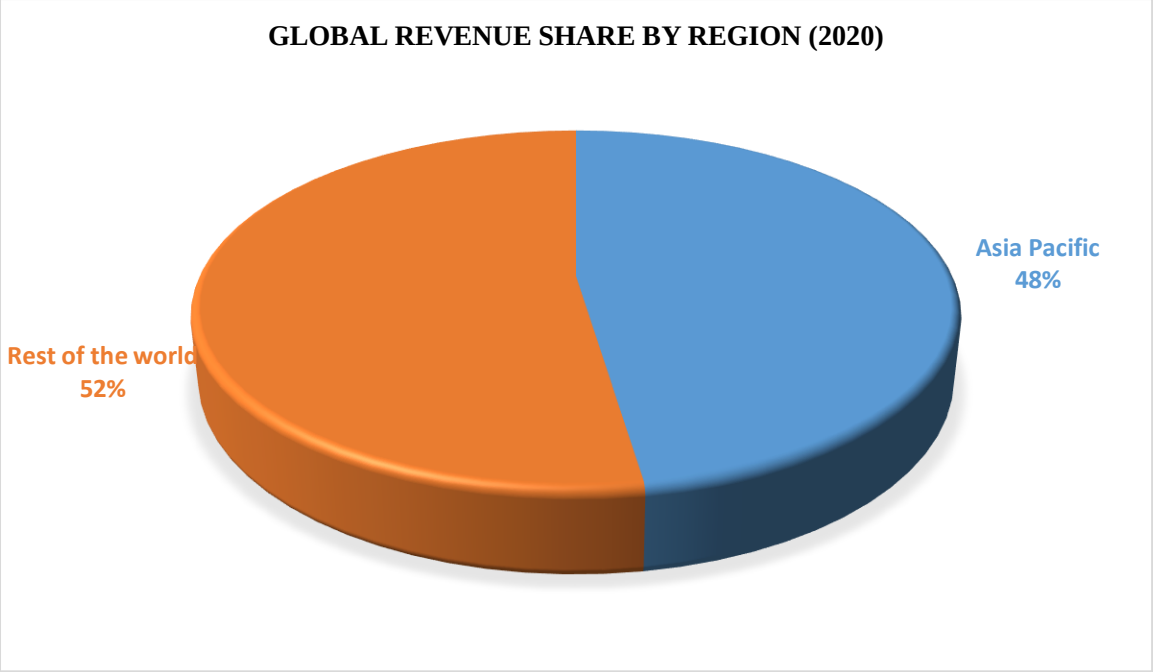
The use of textiles in different areas of a household is one of the prominent growth driving factors. This includes bedding, upholstery, carpets, kitchen cloths, towel, and others. In addition, high-consumption of natural fibers such as linen and cotton along with synthetic fibers used for manufacturing household textiles is further propelling the growth of the market.

**Regional Insights**

Asia Pacific dominated the market for textile and accounted for over 47.6% share of global revenue in 2020, owing to the increasing sales volume of clothing and apparel goods. In addition, the presence of a high number of customers on e-commerce platforms buying clothing and related accessories in the developing economies is further adding positive growth to the market.

Increased penetration of organized retail, favourable demographics, rising income level, and favourable government policies are expected to drive demand for textiles, especially in countries such as India, Bangladesh, Pakistan, and others. In India, 100 percent foreign direct investment (FDI) is allowed in textiles which are set to focus on positive market growth over the forecast period. In Europe, the market demand was estimated to be 83,298.8 kilotons in terms of volume in 2020 and is expected to grow at a significant rate over the forecast period. It can be attributed to the favourable government policies and trade agreements such as free-trade agreements and Euro-Mediterranean Dialogue on the textile and clothing industry.

The demand for textile in North America and Central and South America is likely to witness promising growth over the projected period owing to the rising demand from sports and apparel and home-furnishing textile products. In addition, consumption of textile fibers such as synthetic and cellulose fibers needed for filtration in industrial applications is expected to have a positive impact on market growth over the forecast period.




**Key players**

The market has been witnessing an increasing trend of expansion and mergers and acquisitions. The companies are trying to increase their sales through various government trade agreements along with the partnership with e-commerce portals such as Amazon, Flipkart, e-Bay, and others.

The market is fragmented due to the presence of several small- and medium-scale manufacturers, especially in countries such as China and India. Moreover, the easy availability of low-cost labor coupled with government support to establish various major players' business units in the aforementioned countries is expected to add positive growth to the market.

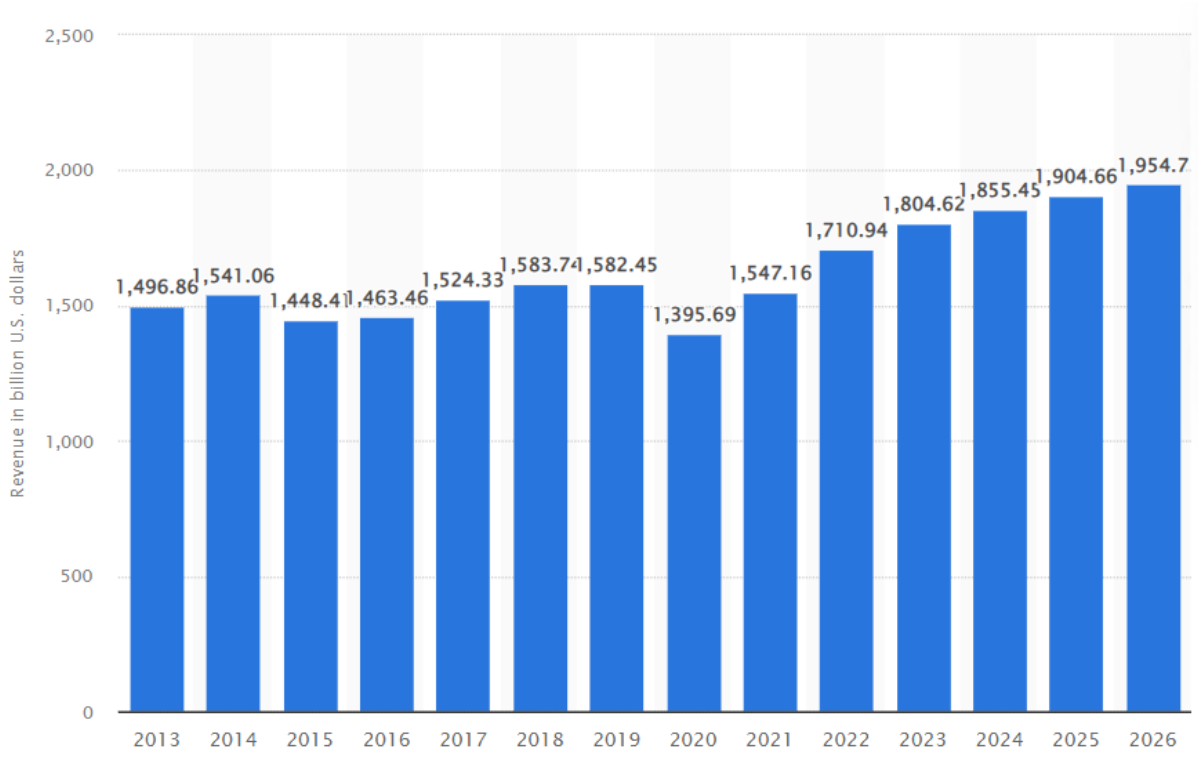
Some of the prominent players in the textile market include BSL Limited, INVISTA, S.R.L., Lu Thai Textile Co., Ltd., Paramount Textile Limited, Paulo de Oliveira, S.A., Successori REDA S.p.A., Shandong Jining Ruyi Woolen Textile Co. Ltd., Sinopec Yizheng Chemical Fibre Company Limited, China textiles Ltd., Rhodia SA, Li & Fung Group, Modern Woollens Ltd., Mayur Suitings, JCT Limited.

*(Source: https://www.grandviewresearch.com/industry-analysis/textile-market)*

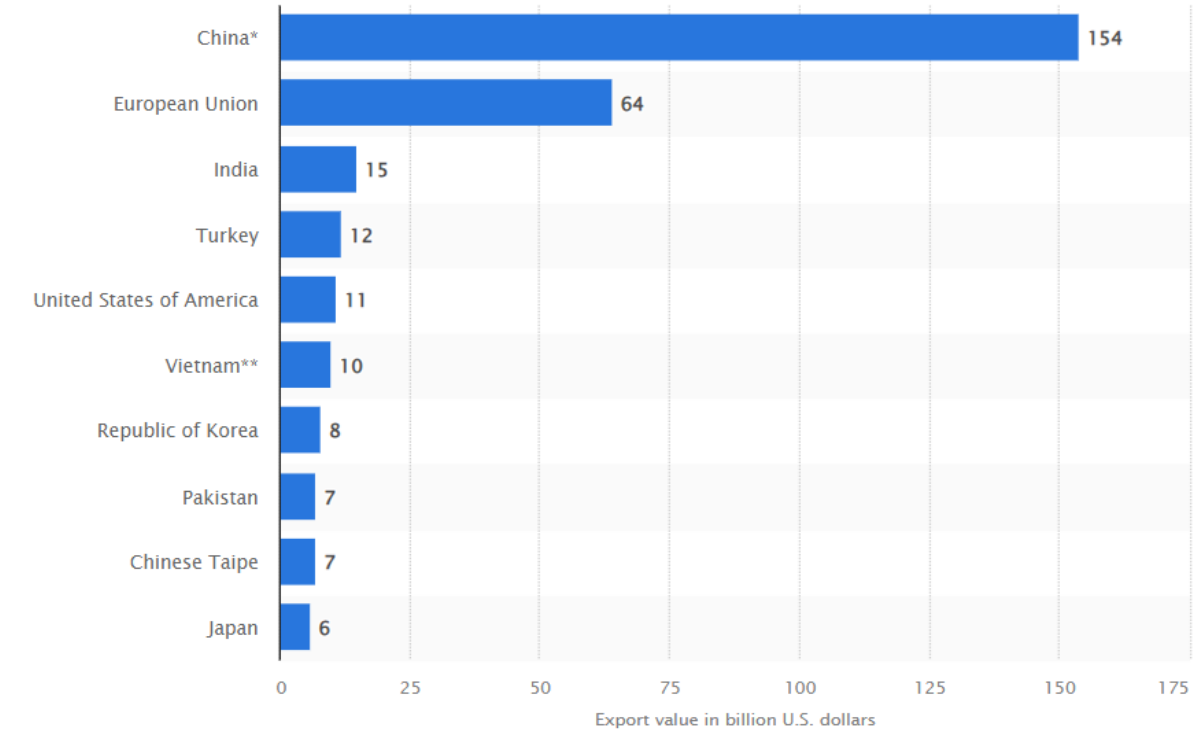
**Global Apparel Market**

The global apparel market is projected to grow in value from 1.5 trillion U.S. dollars in 2020 to about 2.25 trillion dollars by 2025, showing that the demand for clothing and shoes is on the rise across the world.

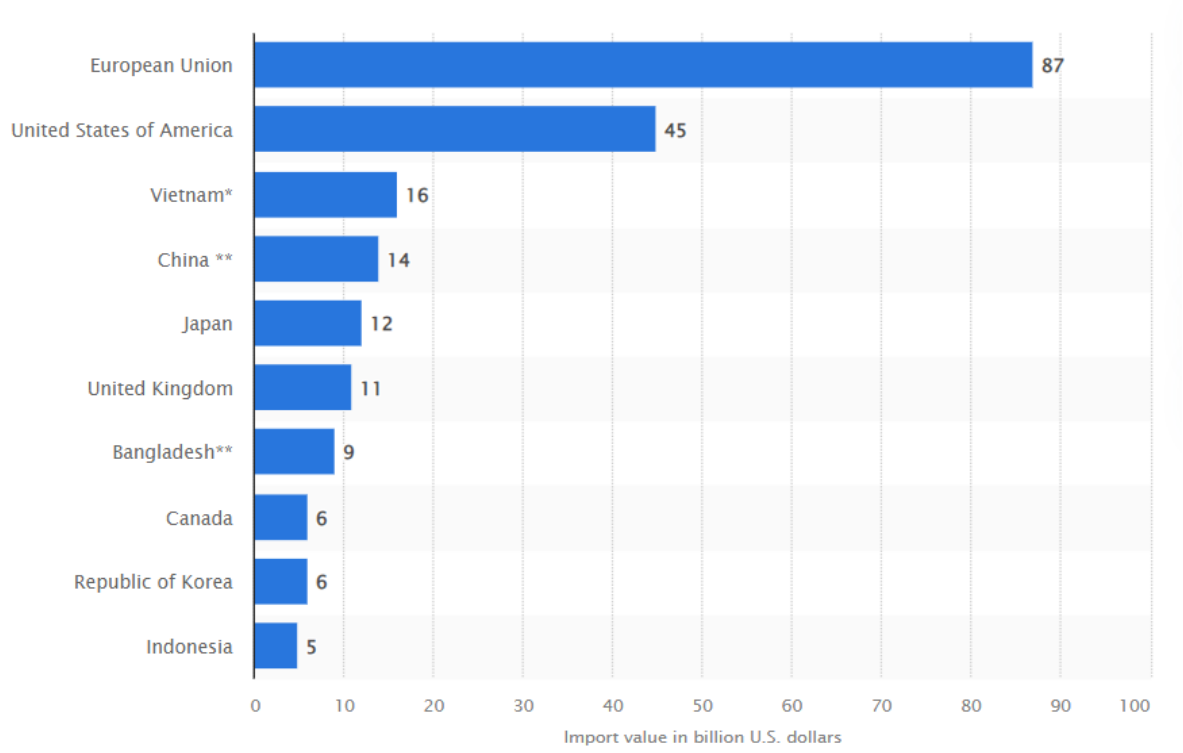
Revenue of the apparel market worldwide from 2013 to 2026 (in billion U.S. dollars)




Leading exporting countries of apparel worldwide by value in 2020 (in billion U.S. dollars)

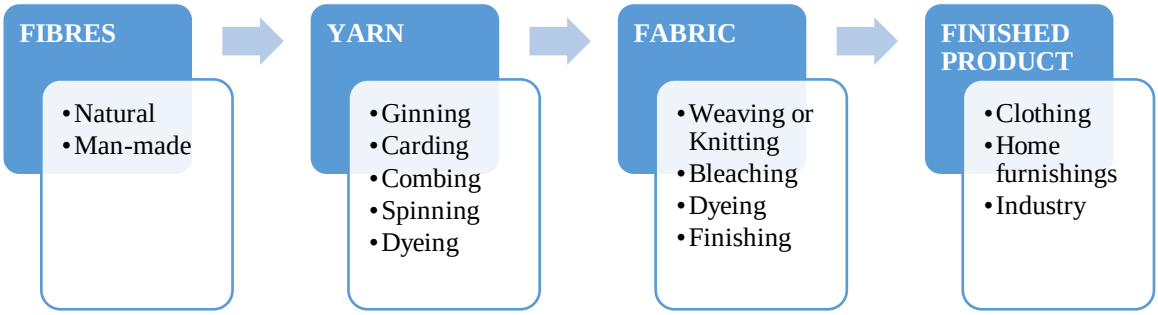



Leading importing countries of apparel worldwide by value in 2020 (in billion U.S. dollars)




*(Source: [https://www.statista.com/topics/5091/apparel-market-worldwide/#dossierKeyfigures](https://www.statista.com/topics/5091/apparel-market-worldwide/#dossierKeyfigures))*

**Textile & Clothing Manufacturing Chain**




*(Source: [https://www.infodev.org/infodev-files/resource/InfodevDocuments_582.pdf](https://www.infodev.org/infodev-files/resource/InfodevDocuments_582.pdf))*

**Textile Market – India**

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

**Market Size**

India's Textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. The industry contributed 7% to the industry output (by value) in 2018-19. The Indian textiles and apparel industry contributed 2% to the GDP, 12% to export earnings and held 5% of the global trade in textiles and apparel in 2018-19. Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products,

man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US$ 22.89 billion between April 2021 and October 2021.

Cotton production is expected to reach 37.10 million bales and consumption is expected to reach 114 million bales in FY21—13% growth over the previous year. The production of raw cotton in India is estimated to have reached 35.4 million bales in FY20^. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 2.40 MT in FY21 (till January 2021), while that for yarn, the production stood at 4,762 million kgs during same period.

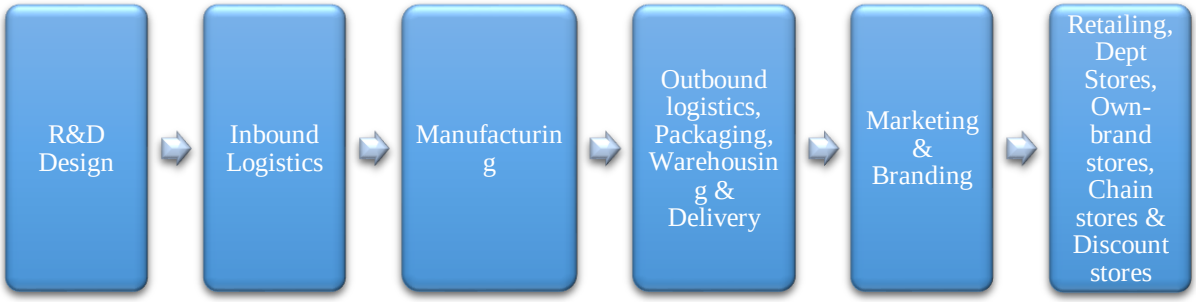
India's home textile exports grew at a healthy rate of 9% in FY21 despite the pandemic. The Indian textiles market is expected to be worth >US$ 209 billion by 2029.

**Investments and Key Developments**

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US$ 3.75 billion from April 2000 to March 2021.

The production-linked incentive (PLI) scheme for man-made fibre and technical textiles will help boost manufacturing, increase exports and attract investments into the sector. Companies in home textile are using technology to optimise the value chain. Home textile companies In India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.

**Clothing Value Chain**




*(Source: https://www.infodev.org/infodev-files/resource/InfodevDocuments_582.pdf)*

**Government Initiatives**

Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route. The Rs. 10,683 crore (US$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) Apparel, MMF Fabrics and 10 segments of Technical Textiles products.

1. Other Initiatives taken by Government of India are:
2. The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which will come into effect from January 1, 2022.
3. Union textile minister Mr. Piyush Goyal announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs.30 crore (US$ 4.03 million) under the National Handloom Development Programme (NHDP).
4. In October 2021, Union Minister for Commerce and Industry, Textiles, Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, announced the creation of 100 textile machinery champions in the country and to promote it in the global market. Through this, the government aims to make India a global player in textiles machinery.
5. In October 2021, the Ministry of Textiles approved continuation of the comprehensive handicrafts cluster development scheme with a total outlay of Rs. 160 crore (US$ 21.39 million). Through this scheme, the government aims to support domestic SMEs and local artisans.
6. In October 2021, the government introduced SAMARTH training at 75 training centers across the country, to accelerate the scheme's coverage among artisans.

7. The government allocated funds worth Rs. 17,822 crore (US$ 2.38 billion) between FY16 and FY22 for the 'Amended Technology Up-gradation Fund Scheme' (A-TUFS), to boost the Indian textile industry and enable ease of doing business.
8. Techtextil India, a trade fair focused on technical textiles, nonwovens and composites will be held from 25th to 27th November 2021 in Mumbai. Tamil Nadu government signed up for Techtextil India 2021 to strengthen indigenous textile production and attract textile investments into the State. The State government will be promoting technical textile policies through both physical and virtual segments of the hybrid fair organised by the Messe Frankfurt Trade Fairs India
9. In August 2021, Minister of State (MoS), Ministry of Petroleum & Natural Gas and Labour & Employment, Mr. Rameswar Teli launched ONGC-supported Assam handloom project 'Ujjwal Abahan' through the virtual platform. The project will support and train >100 artisans of Bhatiapar of Sivasagar, Assam in Hathkharga handicraft.
10. In August 2021, Flipkart and Himachal Pradesh State Handicrafts and Handloom Corporation Ltd. (HPSHHCL) signed a memorandum of understanding (MoU) to help the state's master craftsmen, weavers and artisans showcase their hallmark products on e-commerce platforms.
11. In August 2021, Union Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal said that steps need to be taken to boost production capacities of handloom sector from existing Rs. 60,000 crore (US$ 8.06 billion) to 125,000 crore (US$ 16.80 billion) in three years. He added that target must be set to increase exports of handloom items from existing Rs. 2,500 crore (US$ 335.92 million) to Rs. 10,000 crore (US$ 1.34 billion) in three years. He also announced that a committee will be constituted consisting of all weavers, trainer equipment makers, marketing experts and other stake holders to recommend ways and means to achieve these objectives and enhance overall progress of the handloom sector.
12. In July 2021, the government extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for exports of apparel/garments and made ups until March 2021. This will help boost exports and enhance competitiveness in the labour-intensive textiles sector.
13. In April 2021, Union Minister Smriti Irani has assured strong support from the Textile Ministry to reduce industry's dependence on imported machine tools by partnering with engineering organisations for machinery production. She also stated that the PLI scheme for the textile industry is almost ready. The scheme aims to develop Man Made Fiber (MMF) apparel and technical textiles industry by providing incentive from 3-15% on stipulated incremental turnover for five years.
14. To support the handloom weavers/weaver entrepreneurs, the Weaver MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US$ 134.22) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.
15. Gorakhpur is on track to become a major garment manufacturing centre, boosting the economy in eastern Uttar Pradesh. The Gorakhpur Industrial Development Authority (GIDA) will provide four acres of land for construction of a flattened factory and will enable accessible to entrepreneurs.
16. In March 2021, The Ministry of Textiles favoured limited deal for the India-UK free trade agreement that could boost the garments sector.
    a. In 2020-21, the UK is India's fourteenth largest trading partner, accounting for US$ 8.7 billion in exports and US$ 6.7 billion in imports.
    b. Under the proposed trade agreement, the Textile Ministry expects more market access for the Indian textiles and clothing sector in order to achieve its full potential.
17. In March 2021, under the ongoing sub-mission on agroforestry (SMAF) scheme, the Ministry of Agriculture and Farmers Welfare signed a memorandum of understanding (MoU) with the Central Silk Board, under the Ministry of Textiles, on a convergence model to implement agroforestry in the silk sector.
18. In March 2021, toys were identified as one of the 24 primary sectors listed under the self-reliant India initiative. The Department for Promotion of Industry and Internal Trade (DPIIT) has developed a 'National Action Plan' for toys that calls on several central ministries, including textiles, MSME, I&B, Education, DPIIT (under the Ministry of Commerce) and other departments, to nurture and promote the industry.
19. Effective 01 January 2021, to boost exports, government have extended the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all exported goods
20. To support the handloom and handicrafts sector, the government has taken steps to onboard weavers/artisans on Government e-Marketplace (GeM), provide a wider market and enable them to sell their products directly to various government departments and organisations. As of December 31, 2020, 171,167 weavers/artisans/handloom entities have been registered on the GeM portal.

21. Defence Research and Development Organisation (DRDO) is helping the Indian textile industry to produce yarns and eliminate dependence on import of Chinese and other foreign clothing for military uniforms. Indian defense sector has expressed support towards the Indian technical textile sector.
22. In March 2021, while addressing the 9th edition of TECHNOTEX 2021 organized by FICCI, General Bipin Rawat, Chief of Defence Staff appreciated the innovations in Indian technical textile and stated that the armed forces will rather reduce imports and instead procure technical textiles from Indian industries as a part of the Atmanirbhar Bharat initiative.
23. In October 2020, the Cabinet Committee on Economic Affairs chaired by Mr. Narendra Modi approved mandatory packaging of 100% food grains and 20% sugar in jute bags. Under the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987, the government is required to consider and provide for the compulsory use of jute packaging materials for supply.
24. On September 2, 2020, the Union Cabinet approved signing an MOU between textile committee, India and M/s Nissenken Quality Evaluation Centre, Japan, for improving quality and testing Indian textiles and clothing for the Japanese market. This India-Japan pact on cooperation in textiles will facilitate Indian exporters to meet the requirements of Japanese importers as per the latter's technical regulations.
25. Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs. 1,480 crore (US$ 211.76 million).
26. In 2020, New Textiles Policy 2020 is expected to be released by the Ministry of Textiles.
27. The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - readymade garments and made-ups - from 2% to 4%.
28. The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), estimated to create employment for 35 lakh people and enable investment worth Rs. 95,000 crore (US$ 14.17 billion) by 2022.
29. Integrated Wool Development Programme (IWDP) was approved by Government of India to provide support to the wool sector, starting from wool rearer to end consumer, with an aim to enhance quality and increase production during 2017-18 and 2019-20.

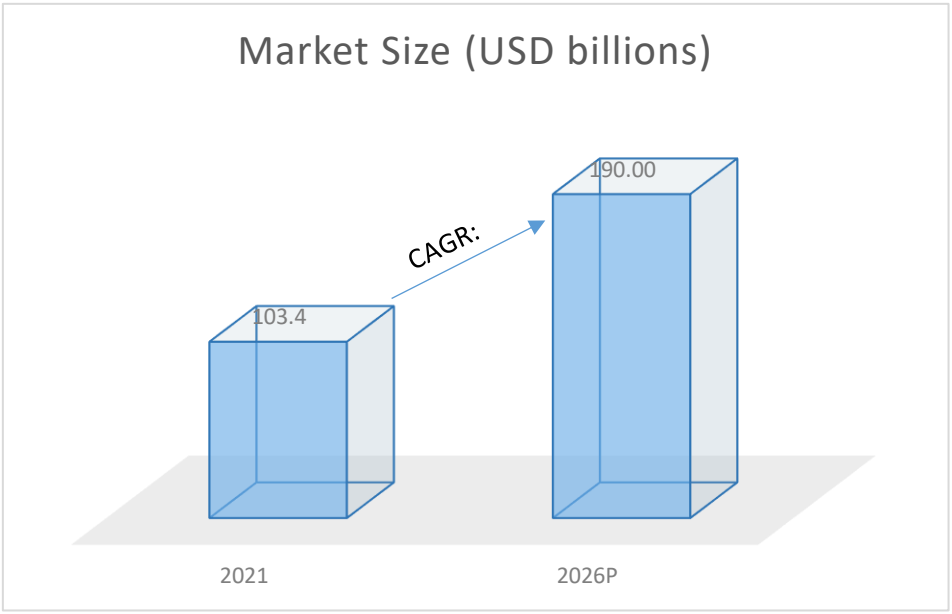
**Achievements**

Following are the achievements of the Government in the past four years:

1. In June 2021, KVIC recorded a 7.71% growth in gross annual turnover to Rs. 95,741.74 crore (US$ 12.85 billion) from Rs. 88,887 crore (US$ 11.93 billion) in FY20.
2. In CY2020, Cotton Corporation of India made a record procurement of ~ 151 lakh bales under MSP operations, which is ~ 290% higher than 38.43 lakh bales procured during the corresponding period last year.
3. I-ATUFS, a web-based claims monitoring and tracking mechanism was launched on April 21, 2016. 381 new block level clusters were sanctioned.
4. Under the Scheme for Integrated Textile Parks (SITP), 59 textile parks were sanctioned, out of which, 22 have been completed.
5. Employment increased to 45 million in FY19 from 8.03 in FY15.
6. Exports of readymade garments (of all textiles) was worth US$ 1.19 billion as of December 2020.

*(Source: https://www.ibef.org/industry/textiles.aspx)*






Textiles and garments industry is expected to reach $190 bn by 2025-26 from $103.4 bn in 2020-21.

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India.

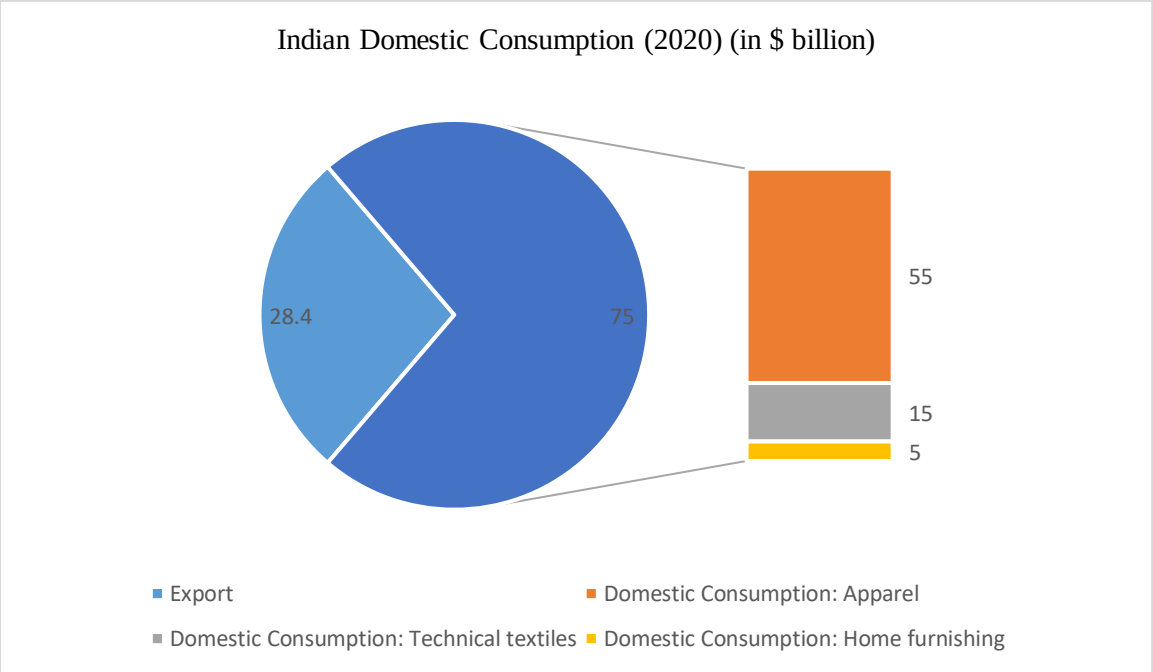
The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing. The domestic textiles and apparel industry stood at $108.5 bn in 2019-20 of which $75 bn was domestically consumed while the remaining portion worth $28.4 bn was exported to the world market.

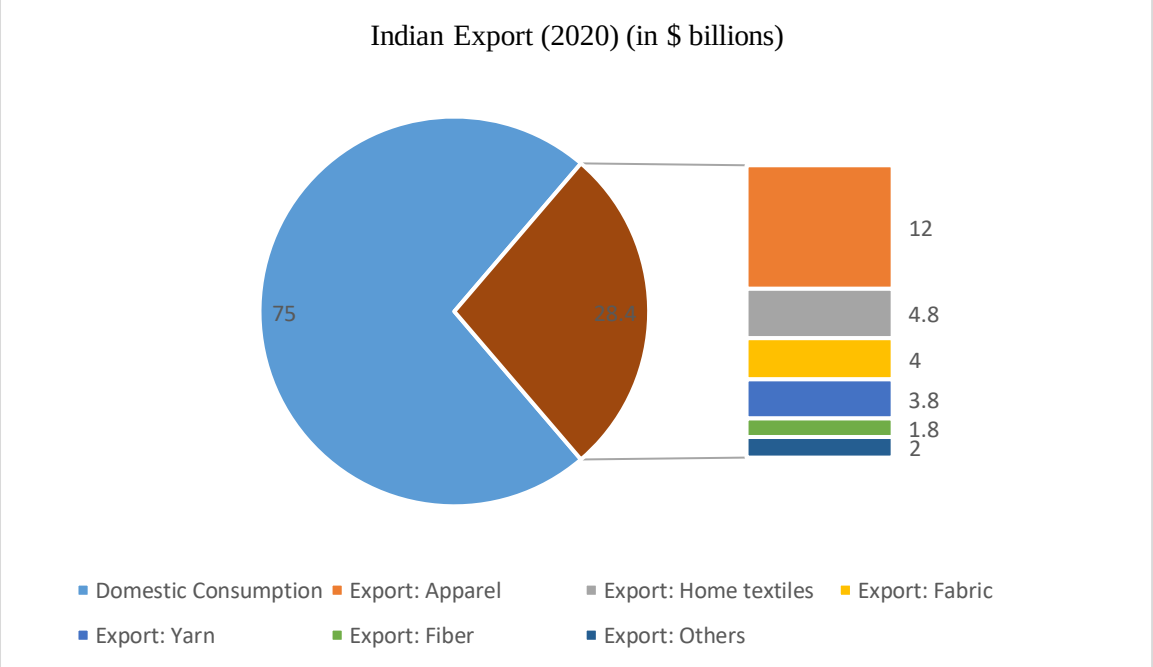
The highest contributors to FDI in the Textile sector of India (including dyed, printed) from April 2016 to March 2021 are Japan, Mauritius, Italy, and Belgium. Cotton production supports 5.8 million farmers and 40-50 million people in allied sectors.

Further, the domestic consumption of $75 bn was divided into apparel at $55 bn, technical textiles at $15 bn and home furnishings at $5 bn. While exports comprised of apparel exports at $12 bn; home textiles exports at $4.8 bn; fabric exports at $4 bn; yarn exports at $3.8 bn; fiber exports at $1.8 bn and others at $2 bn.

Export of Cotton Yarn/Fabrics/Made ups, Handloom Products Etc. was valued at $1297.82 bn in August 2021 with a positive growth of 55.62% over exports of $833.95 bn in August 2020.

Export of RMG of All Textiles was valued at $1235.11 bn in August 2021 with a positive growth of 13.99% over exports of $1083.53 bn in August 2020.



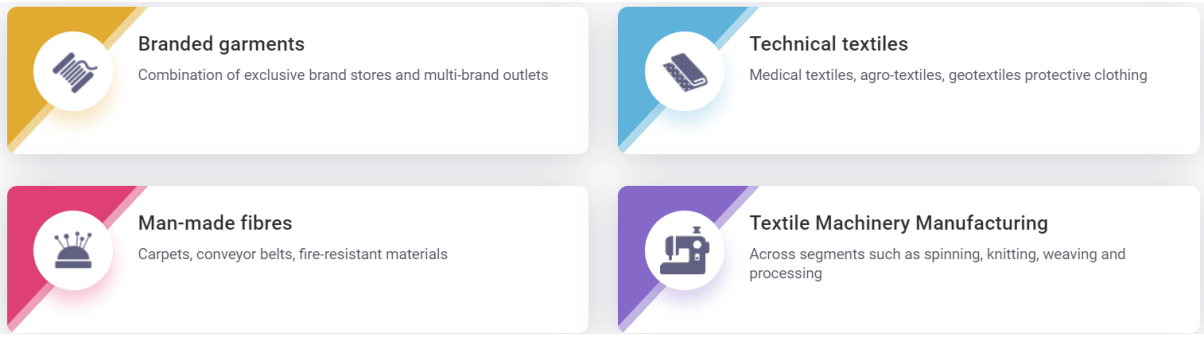




**Growth drivers**

- Abundance of raw material

- Presence of entire value chains
- Competitive manufacturing costs
- Availability of skilled manpower
- Large and growing domestic market
- Rising per capita income, higher disposable incomes and preferences for brands
- Organized retail landscape & e-Commerce
- Increased focus on technical textiles due to growth of end-user industries such as automotive, healthcare, infrastructure and oil and petroleum
- Production-Linked Incentive (PLI) Scheme in Man-made fiber and technical textiles with financial outlay of INR 10,683 cr under Atmanirbhar Bharat package

**Industry trends**

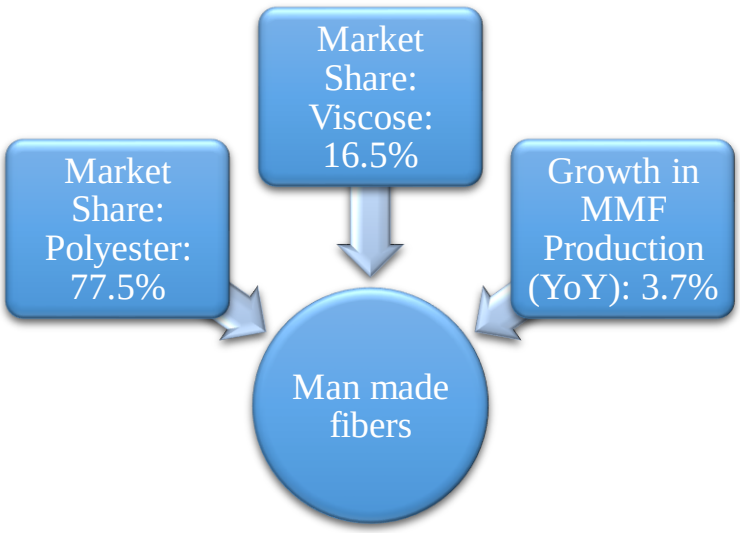



**Man-Made Fibres**

*2nd largest producer of both polyester and viscose globally*

The domestic MMF industry mainly comprises of two components i.e., polyester and viscose, which together accounts for about 94% (in volume terms). Under this, polyester accounts for about 77.5% while viscose accounts for the remaining share. MMF is primarily used to produce 100% non-cotton fabrics and blended fabrics, which are in turn used in readymade garments, home textiles and other industrial textiles.
MMF production witnessed an increase of about 3.7% yo-y in FY19 after declining about 0.7% in FY18. The total MMF production as of 2019 stood at 2.6 billion kgs.

Factors such as increasing use in nonwovens and technical textiles, changing consumer trends including increasing emphasis on fitness and hygiene, rising brand consciousness, fast changing fashion trends, increasing women participation in workforce will further boost the demand of manmade fibres



**Product profiles**

Amongst the top 15 traded MMF based categories, India has a comparatively higher share in categories like polyester filament yarn, carpets, dresses, blouses and t-shirts.

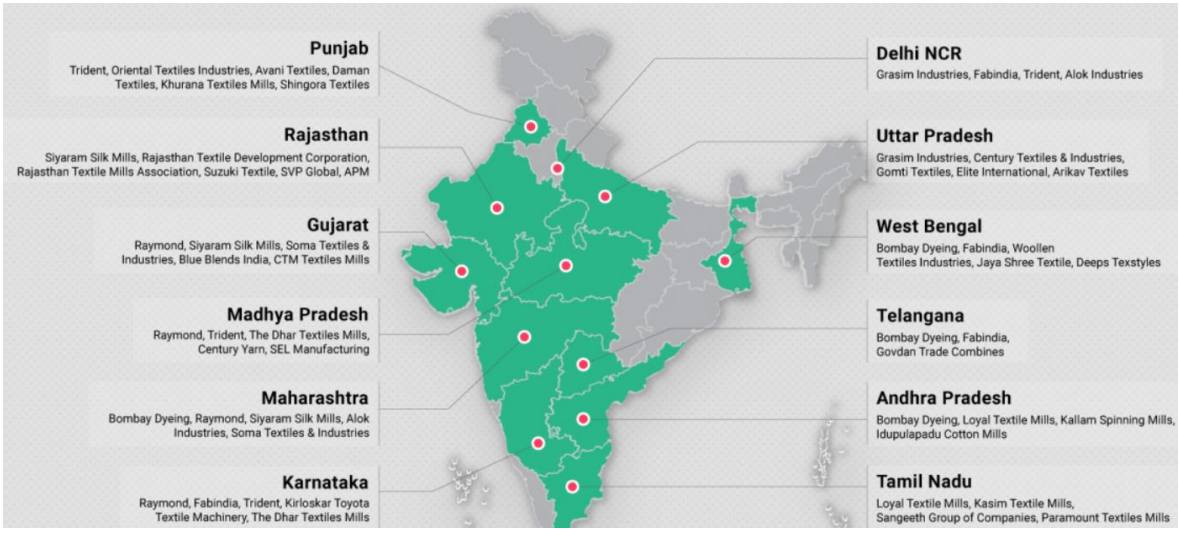
*POLYESTER*

- Purified Terephthalic Acid (PTA) is a key raw material component in the polyester value chain and reacts with Mono Ethylene Glycol (MEG) in the process of continuous polymerisation for producing polyester.
- The PTA industry is a highly organised industry, with Reliance Industries, Mitsubishi and IOCL being the only PTA manufacturers in India. Likewise, the MEG industry is highly organized as Reliance Industries, India Glycols and IOCL being the only MEG manufacturers in India.
- The polyester stable fiber production as of 2017-18 stands at 852 million kg

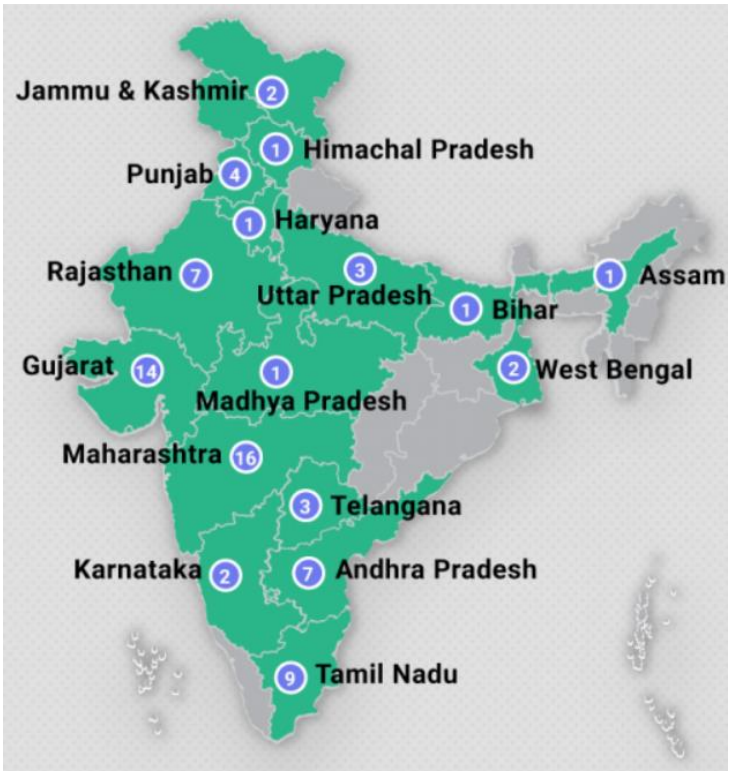
*VISCOSE*

- Growth in viscose fibre is expected with improved GDP per capita and subdued cotton demand in India.
- The viscose staple fibre production as of 2017-18 stands at 370 million kg.
- The key manufacturers of viscose fibre yarn are Century Yarn, Aditya Birla Nuvo, Kesoram Rayon and National Rayon Corporation.

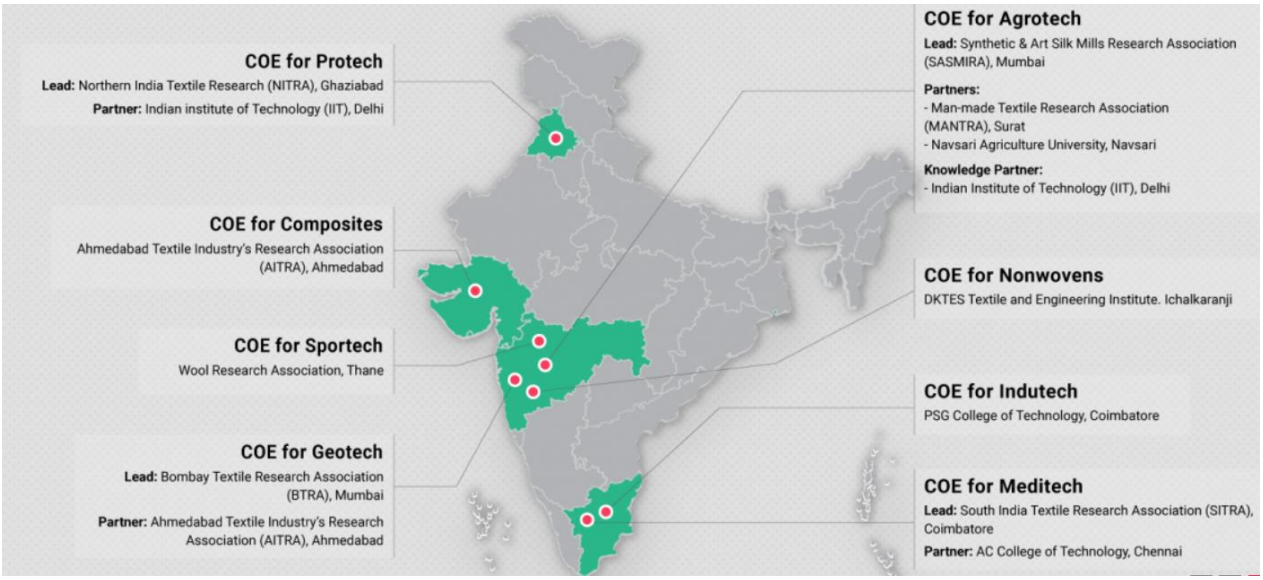
**Major Textile manufacturing players**




**Textile parks**




**Centre of excellence**




*(Source: [https://www.investindia.gov.in/sector/textiles-apparel](https://www.investindia.gov.in/sector/textiles-apparel))*

**Garment manufacturing industry – Value chain**

Garment manufacturing industry is primarily engaged in the design, cutting and sewing of garments from fabric. On industrial basis there are certain areas or sequence through which Garment are manufactured.

Textile industry has been playing a pivotal role in Indian economy. Textile sector alone presently provides for nearly 28% of total organized manufacture sector's employment in India. About 93 million people directly and indirectly are engaged in this industry. Indian Textile Industry enjoys inherent comparative advantage because it is almost self-reliant from the stage of production of raw materials to the delivery of finished products from cotton growing, ginning, spinning, and weaving to Manufacturing of clothing items.

The world fast moving towards natural products and as a result of this trend, demand for cotton Garment is increasing. The demand of hosiery garment is increasing at a fast pace because of the comfort and soft feel of the product.

**Garment Dyeing**

Dyeing prefabricated items of clothing represent an interesting supplement to the conventional manufacturing of clothing from ready-dyed pieces. This is above all the case because the risks involved in conventional manufacturing with reference to the correctness of the colour shade are substantial and frequently generated a broad colour range with increased storage cost.
Dyeing clothing after fabrication bears the risk of a higher extent of damage should problem in the Dyeing process. In worst-case scenarios, losses in value after irreparable error as exacerbated by an inability to maintain delivery commitment.

**Basic Theory of Garment Dyeing**

Depending on the wet fastnesses requirements the fabric, garment made from the cotton grey fabric are mainly dyed with direct and reactive dyes. For the low colour fastness direct dyes are used and for high colour fastness reactive dyes are used for cotton garment dyeing. If the cotton garment dyes with reactive dyes then two types are available in the market, namely:

- Hot brand reactive dyes.
- Cold brand reactive dyes.

Among those two brand of reactive dyes, hot brand reactive dyes are commonly used for cotton garment dyeing. Because cotton garment dyeing with hot brand dyes facilitates easier and quicker dyeing process with reasonable good dyeing quality.

**Stages of Production**

Apparel Production is generally done in four stages:




Besides these, there may be an additional stage of 'Value Addition', which is a term used to indicate any process that adds to the total cost of the product and hence increases the value of the product. The addition is to enhance use and serviceability/functionality of the product and/or its aesthetic appeal. This includes special finishes to yarn and fabric (e.g., special washes to garments like sand wash or enzymes wash for denims) or surface ornamentation (e.g., prints, embroideries, etc.). This becomes specific to the product style and could be done before, during or after assembly of the product.

**1. Procurement and Inspection of Raw Material**

The process of apparel manufacture begins with the procurement of raw material and inspection or checking of the same. This includes the fabric and trims (zippers, buttons, interlinings, labels, tags etc.). Fabric inspection is done to find faults or defects in the fabric. Ideally 100 per cent of fabric received should be checked before it is cut. However, when the fabric is procured from a reliable source or when the fabric is certified as fault free by the fabric manufacturer, only representative sample quantities are checked.

Fabric defects can be classified on the basis of the source of the faults as:
(a) Yarn faults
(b) Weaving faults
(c) Dyeing faults
(d) Finishing faults

*Defects arising from yarn faults*

- Coarse end and fine end: Warp yarns having a larger diameter or smaller diameter than those normally being used in the fabric.
- Fuzz and Fuzz balls: Fuzz is the loose or frayed fibers originating from the yarns. These may form tiny balls and get woven into the fabric.
- Slub: An abruptly thickened location in a yarn characterised by softness in twist and more or less of short duration.

*Defects arising from weaving faults*

- Bar: Filling wise band across the full width characterised by a change in appearance from normal color or texture of finish.
- Barre': An unintentional, repetitive visual pattern of continuous bars and stripes usually parallel to the filling of woven fabric or to the course of circular knit fabric.
- Bias filling: The filling yarns or colour pattern not being at right angle to the warp yarns.
- Bowed filling: The filling yarns or the colour pattern having a curvature.
- Broken end: A warp yarn missing for a portion of its length.
- Float: Thread that extends unbound over the threads of the opposite yarn system with which it should normally be interlaced.
- Kink: A short length of yarn spontaneously doubled on itself. Also called curl, kinky thread, looped yarn, snarl.
- Misreed: A warp wise streak caused by improper spacing of the ends across the fabric.
- Smash: An area where the fabric has been ruptured by the simultaneous breaking of a large number of adjacent warp threads.

*Defects arising from dyeing faults*

- Colour run: The colour of one area has bled or superimposed on the colour of another area.
- Shaded: The colour or bleach is not uniform from one location to another.
- Defects arising from finishing faults
- Baggy: A fabric which will not lie flat on the cutting table.
- Chafe: An area where the fabric has been damaged by abrasion or friction. Cuts, tears, crease, wrinkle and curled selvedges.
- Tentering marks: Enlarged pinholes or distorted areas along the edge of the fabric caused by the holding of the fabric to width during finishing. Also called pin marks.
- Uneven finish: The finish is not uniform from one location to another.

**Fabric Inspection and Testing**

There are internationally accepted systems of fabric inspection which define the way the fabric is to be inspected and what constitutes an "OK" fabric. In all the systems, the fault or defect is assigned points based on its size, type, spread etc. The total points in a given linear length are then totalled and the fabric is 'accepted' or 'rejected'. Some companies have customised their own system by adapting from existing systems according to their need and specialised fabric types. The acceptance criteria also depends on the final product (style, market, functionality, performance base, etc.) being made.

Other than this, certain tests are also conducted to test the suitability of the fabric for its end use. The tests may be standard tests done by any fabric manufacturer or may be specially requisitioned by the buyer of the end product. These tests include colour fastness (against light, moisture, perspiration, chlorine etc.), thread count, fabric weight, shrinkage, flame-retardant etc. Once the defect and its extent are identified, the possibility of repair/rectification is checked. If the fabric can be rectified, it is sent for the selected process. If not, the fabric is rejected. Some faults may be accepted if the extent is not very high i.e. it does not affect a large area of the fabric. Sometimes the decision to accept defected fabric may be taken if the cost and/or time involved in the reprocessing of the fabric are too high to be absorbed by the cost of the order.

Fabric inspection is one of the most important steps in the process of production, as it defines the final quality of the product The cost of raw material in any garment is about 70%, out of which 90% or above is that of the fabric. In case this process is not carried out properly, the cost factor of the fabric component in the garment would increase leading to less profits and, in some cases, losses.

## 2. Laying and Cutting of Fabric/Material

The next stage in the production of garments is the planning and processing of the cutting of the fabric. This involves the following steps:

1. Marker plan:

A marker is defined as the placement of pattern pieces on fabric in such a manner that the consumption of fabric per garment is optimised. The first stage is to identify the number of pieces that make up the entire pattern of one unit of item. The planning of the marker defines the average consumption of the fabric per piece which ultimately affects the cost of the product.

The marker may be planned by manually placing pattern pieces on a defined width of the table and creating permutations till the most optimum length is achieved. This is very time consuming especially where the number of pattern pieces involved are high (such as in a formal jacket). There is also the problem of copying the marker so that it can be replicated for multiple lays. The more efficient technique of marker planning is by using specific computer software or CAD system. In this, the pattern pieces are fed into the system (digitised) and planning is done on a monitor. This technique is time efficient and eliminates most of the errors that are related to a manual plan. A printout of the final marker/s is taken for replication which ensures that the consumption of fabric per unit of product is maintained.

2. Spreading:

Fabric is smoothened and spread along lengths of table in layers. The length of the layer is defined by the marker. The fabric layers are matched along one length edge and are equal in length. The fabric may be spread by hand or with the assistance of machines called Spreaders. These machines may be mechanically, electrically, electronically or computer operated. The final product of the spreading process is called a lay. The height of the lay will also affect and be affected by the cutting apparatus to be used. Care is taken during lay preparation that each lay consists of only one type of fabric.

3. Marking:

The patterns are traced on the top layer as per the define marker. In some cases a computerised printout of the marker on a paper sheet of the same width as the fabric may be used as the cover to the lay. This then gets cut with the fabric layers.

4. Cutting:

The layers are cut simultaneously using machines that maybe controlled either manually or through computer systems. There are different types of machines like the straight knife, round knife, band knife and die cutters. The height of the lay, i.e. number of layers in each lay, is dependent on the type of cutting apparatus as well as the dimensional stability of the fabric.

Each type of cutting apparatus has its own merits and demerits — e.g., the straight knife machine is the most readily available and the cheapest of theme chained cutting apparatus. However, it is not the best choice to cut knitted or stretch fabrics as it does not have the grip that can control the dimensional stability of such a fabric while cutting. The cutting apparatus used to cut a lay is usually mechanised. This is because scissors cannot cut through multiple layers with precision. Also the time and effort required in this is higher than may be possible in production.

5. Bundling:

The cut pieces are bundled for further processes of stitching/embroidery/printing etc. The number of pieces in a bundles dependent on the type of production system and the process sequence to be followed. The bundles may have all the components of a garment or only selected ones. Along with bundling, ticketing of the components is done which identifies the layer number within the lay. This is done to ensure that components of one garment are cut from the same layer of fabric.

## 3. Assembly of the Product

The garment pieces are next sent to the assembly or stitching section comprising of different types of sewing machines. The sewing machines may be multipurpose, i.e they can be used for different types of operations of sewing, or the machines may be specialised, i.e., they are used for specialised operations only. The more common of the first category of machines (multipurpose) is the Single Needle or Lockstitch Machine. It uses two threads to do the stitching, one which enters the fabric from the top through the needle and one which enters from the bottom through a bobbin. This machine can be used for any type of fabric and any kind of stitching operation. The lockstitch is reversible and a very stable, strong and inflexible stitch. It is also possible to work it in reverse direction to have a double stitching line.

For stitching of knitted fabric, the machine used is the Chain Stitch machine. This stitch may use between 1–5 threads for formation. The lower thread comes through a hooked device called the looper. The looper may or may not have its own source of thread. The chain stitch is flexible and non-reversible by nature. It is predominantly used to accommodate stretch in the fabric being sewn. The commonly used type of this machine is the Over lock machine. This machine is used for all garments made from knitted fabric. The process of assembly, i.e., the way in which the multiple pieces of the garment are put together to make a complete garment, may use one or a combination of multiple production systems.

- **Tailor system**
  Each operator or tailor assembles an entire garment. This system is used mainly in customised clothing — clothing made to fit and to the measurements of one individual. The operators are extremely skilled and are capable of working on varied types of machines.

- **Team working or module system**
  The garment is assembled by a group or team of operators. This is the most popular system in the garment manufacturing industry. Each team is a mix of skilled, semi-skilled and unskilled workers and jobs are allocated according to skill level requirements of the assembly process.

- **Unit production system**
  The garment assembly process is broken into smaller units called operations. Each operator is given one or more operations to do which need to be done on the same sewing machine. The piece is passed from one operator to the next operator in a predetermined pattern enabling the total assembly of the product. This system is used effectively in units with large manufacturing facilities or/and in garments which have many operations as also in manufacturing units which are catering to production of a single product.

This system is dependant more on the training of the operator. Operators are trained on specific machines and in specific type of operations so that their individual productivity is high. The system does not work very well in small orders and for garments which have very few operations.

**4. Finishing and Packaging**

The garments are finally sent for finishing and packaging. The finishing process includes final inspections, stain removal, repairs, ironing/pressing and folding. The pressing/ironing techniques would also define the final look of the garment (creases, folds, size of fold, etc.). Packaging of garments can be done in many ways. Some garments are hanger packed (coats, jackets, suits, children's dresses etc), some are fold packed (shirts, t-shirts, track suits, etc.) and some are folded and then hanger packed (trousers).

The type of packaging is dependent on the specifications of the buyer, the display techniques at point of sale, the bulk of the garment (volume of individual piece), the price of the garment etc. For exports, all the above detailed types of packaging may be used as specified by the buyer. The packing of the garments differs from packaging. Packing is the process of preparing any product for dispatch from one place to another. The most common packing technique is the use of Cartons. A carton is made of layers of corrugated paper stuck together in a box shape (cube/ cuboid). The size of the carton can be customised as per requirement, defining its length, width and height.

**Quality assurance in the garment industry**

Quality of the product is defined as its 'fitness for use'. That means the requirement of the customer actually dictates whether any product is a quality product or not. The frequently used term 'Bad Quality', hence, does not exist as the term 'Quality' by itself defines the fitness of the product. The quality of the product is ensured by –

a. Adopting proper procedure of work – defining the complete process of the product manufacture from raw material to finished goods and elaborating on operating procedures for each department.
b. Following the adopted procedure as defined above.
c. Selection and use of appropriate machinery.
d. Training of manpower – This is done at all levels, i.e., operators, supervisors and management – on machinery, maintenance, quality systems, production and the product.
e. Inspection of product at various stages of production – For this, crucial stages are selected. There are no defined rules on the frequency and quantity of inspection. Companies tend to develop their own rules for the same. The important issue is that the final product should conform to the standards and specifications laid out for the product in question.

**Impact of covid-19 on the Indian apparel & textile industry**

Indian Textiles and Apparels (T&A) industry, accounts for approximately 4% of the global T&A market. The T&A industry is one of the largest and the most important sectors for the Indian economy in terms of output, foreign exchange earnings and employment. The industry contributes approximately 7% to industrial output in value terms, 2% to the GDP and 15% to the country's export earnings.

Due to countrywide lockdown, however, the industry is grappling with major hurdles in the following areas:

*Labour force and employment*

T&A provides direct employment to over 45 million people but the nationwide lockdown has led to a temporary closure of factories and lay-offs have already begun among low wage workers.

*Import & Exports of raw material and ready-made garment*

The Covid-19 pandemic is primarily expected to adversely impact exports and with second order impact on the domestic markets with both exports as well as domestic sales falling.

The pandemic has affected the majority of India's export market (the US and EU together constitute for approximately, 60% of the total apparel exports from India in value terms), causing order cancellations/deferral of order leading to inventory build-up and expectation of slower realization of export receivables leading to higher working capital requirements.

Apparel exports are expected to fall due to drying up of order in the last quarter of FY20, working capital issues and lack of clarity on the duties and incentives especially when exporters from Bangladesh, Sri Lanka and Vietnam receive preferential access.

Additionally, domestic consumption is also getting impacted due to all India closure. New store openings have stopped and even domestic stores are facing an inventory build-up due to apparel sources for the upcoming summer season, Further, domestic prices could be negatively impacted if exporters dump their inventories in the domestic market leading to even reduced margins. This could lead to short term blips such as reduced employment of casual labour (factory closures and people moving back to their home towns) and reduced consumption.

*Cash flow constraints*

The sector has been grappling with profitability issues due to a sharp decline in yarn exports, cheaper imports etc. these issues only look to get aggravated further with the current crisis.

*Supply chain disruption*

The Garment manufacturers need to look at local sourcing opportunities, due impact on imports and export.

*Consumer sentiment*

If nationwide lockdown continues and the situation persists, it will impact consumer sentiment on the higher side, due to closure of the market and mall also to maintaining social distancing, safety and health. The extent of the outbreak and lockdown would directly impact the length of the recovery cycle.

To minimize the impact the Confederation of Indian Textile Industry (CITI) has requested the government to immediately announce a relief package for the textile and apparel sector to mitigate the crisis being faced by the capital and labour-intensive textile Industry, post the corona virus spread.
*(Source: https://textilevaluechain.in/in-depth-analysis/articles/textile-articles/garment-manufacturing-industry/)*

**Future outlook**

India is working on major initiatives, to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on rise. Government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

*(Source: https://www.ibef.org/industry/textiles.aspx)*

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You shall read the chapter titled "Forward Looking Statements" beginning on Page No. 17 of this Prospectus, 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 ending March 31 of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Information" beginning on Page No. 24 and 154, respectively of this Prospectus.*

Unless otherwise stated, all references in this section to "Veekayem" or "the Company" or "our Company" or "we" or "our" or "us" are to Veekayem Fashion and Apparels Limited.

### BUSINESS OVERVIEW

Our Company was originally incorporated as 'Veekayem Textile Mills Private Limited' on September 17, 1985 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 13, 2018, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Veekayem Textile Mills Limited' and a fresh certificate of incorporation dated June 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. Subsequently, pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on August 18, 2018 the name of our Company was changed to 'Veekayem Fashion & Apparels Limited' and a fresh certificate of incorporation dated October 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. The corporate identification number of our Company is U17120MH1985PLC037516.

We are engaged in the business of weaving and garment manufacturing. We are majorly engaged in the business of manufacturing for various brands, however we also cater to exports and local markets in customized designs as requested by our clients and customers in textile and apparel industry.

Our Company deals in a range of products like Shirting fabrics, Suiting Fabrics, Trouser fabrics, jacketing fabrics, format trousers, cotton trousers and other accessories etc. Our extensive product portfolio of 100% Cotton – Lycra and Non-Lycra, Giza, Supima, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen.

The experience and trade relations developed by our promoters and management have been one of the key instrumental factors in the growth of our Company. Krishankant Gupta, Vijaykumar Gupta and Madanlal Gupta are the promoters of our company. They have an adequate experience in the line of the business undertaken by the Company and look after the strategic as well as day to day business operations. Our Promoters believe in the ideology of continuous improvement and development. Also, we believe role of a management team is equally important as to that of our employees for growth of a business, and accordingly we have placed an experienced management team to look after various facets of operations.

We endeavour to satisfy customers by continuous improvement through process innovation and quality maintenance. We focus on producing quality product to increase customer satisfaction and develop a positive brand image in the industry. Our management and team has enable us to maintain continuing customer relations, ensuring repeat order flows. We aim to grow our operations on PAN India basis and make our brand as a distinguished name in industry.

We operate from our registered office located in Mumbai City, Maharashtra. Our manufacturing facility is situated at Valsad in state of Gujarat. The manufacturing facility is installed with automated machineries having capacity to manufacture 5, 00,000 Meters fabrics per month and 1, and 50,000 pcs of readymade garments per month.

Technology is a crucial aspect of the garments industry. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern technology and processing techniques by virtue of which we are able to ensure quality output.

We have testing facility within the premises of manufacturing units. Our manufacturing facility has fully equipped quality control department with experienced staff to facilitate smooth manufacturing process. We have necessary infrastructure to test our raw materials and finished products to match the quality standards and as specified by the relevant customers. All the products are being manufactured strictly as per quality norms using the expertise of our experienced team to provide quality output to our customers at competitive prices.

**Our business is organized in two main product categories**:

1. **Textile**: We manufacture grey cloths including polyester / viscos, polyester cotton, 100 % Cotton, 100 % Linen, 100 % Wool and Lycra Fabrics through weaving process;
2. **Garments:** We manufacture all types of readymade garments for men and women. The broad categories include formal shirts, cotton shirts, formal trousers, cotton trousers, cotton joggers, cotton shorts, pajamas and Bermuda.

## LOCATIONAL PRESENCE

| Sr. No. | Address | Ownership | Purpose of usage |
|---|---|---|---|
| 1. | 2305-2307, GIDC Umbergaon, Dist Valsad, Gujrat – 396171, India | Leased | Manufacturing facility |
| 2. | Plot No 277, GIDC Umbergaon, Dist Valsad, Gujrat - 396171, India | Owned | Manufacturing facility |
| 3. | Plot No 329/330, GIDC Colony, Umbergaon, Dist Valsad, Gujrat -396171, India | Leased | Guest House |
| 4. | Gala No 112-113, 157/5, 5th Cavel Cross Lane , Dr Veigash Street, Kalbadevi Road, Mumbai -400002, Maharashtra, India | Owned | Administration office |
| 5. | Gala No 113/114, Sharma Industrial Estate, Walbhat Road, Udyog Bhavan, Goregaon East, Mumbai 400063, Maharashtra, India | Owned | Administration office |

## OUR COMPETITIVE STRENGTH

### *1. Consistency in Quality and Service Standards*

We follow stringent quality standards in our manufacturing unit to ensure that our products meet required customer standards. These standards ensure the quality consistency of the manufactured product by ensuring that we employ well trained staff, have sufficient premises and equipment for manufacturing. We have an in-house testing and quality control mechanism having automatic / semi-automatic and mechanical checking machines, operated by skilled operators, under proper quality control and strict supervision.

### *2. Scalable Business Model*

Our business model is order driven, and comprises of optimum utilization of our manufacturing, processing and trading facilities, maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the potential development possibilities of new markets both international and domestic, by adopting aggressive marketing of the product, innovation in the product range and by maintaining the consistent quality of the product.

### *3. Product mix and Market mix*

Our Company deals in a range of products like Shirting fabrics, Suiting Fabrics, Trouser fabrics, jacketing fabrics and Other Accessories etc. Our extensive product portfolio of 100% Cotton – Lycra and Non-Lycra, Giza, Supima, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed,

Polyester Viscose, Terry Rayon Suiting and Mock Linen has given us immense opportunity to expand and explore new markets. These products have wide scale applications not only in the ready-made garment industry but also in various fashion accessories and footwear.

***4. Cost effective production and timely fulfilment of orders***

Timely fulfilment of the orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfilment and also to achieve greater cost efficiency at our existing unit. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

***5. Experienced management and dedicated employee base***

We have a seasoned management team with extensive knowledge of the Textile and Goverment sector. This, we feel, makes effective operational collaboration and business strategy continuity easier. We can foresee and address market changes, manage and grow our operations, and preserve and leverage client connections thanks to their specific industry experience.
Furthermore, our workforce includes seasoned senior executives, many of whom have been with us for a long time. We think that our management team and other key management personnel are well qualified and have extensive industry expertise, and that they have been responsible for our operations' growth. We feel that our management team's experience and contacts with diverse stakeholders have enabled us to expand our operational capabilities, Improve the quality of our goods, enhance our methods and designs on a regular basis, and fulfil our growth goals.

***6. Wide sales and distribution network***

We believe that our growth in our business operations have been made possible by our wide sales and distribution network with whom we enjoy long-standing relationships. We primarily follow a business-to-business or a business-to-business-to-consumer model for our product categories and sell through a network of distributors spread across the world. Our top sales are with the well-known retail brands.

## OUR STRATEGY

Our strategy is to build upon our competitive strengths and business opportunities to become one of the leading weaving and garment manufacturing companies in the country. Our objective is to improve and consolidate our position in the manufacturing and marketing of our products. We intend to achieve this by implementing the following strategies:

***1. To introduce value-added products***

We intent to introduce more value added products like denims and casual shirts into our product portfolio which will add to the top & bottom line. With our operational efficiency and skilled man-power, and strong marketing team, strengthened with exports, we anticipate this strategy to be one of our primary for leveraging our potential.

***2. Improving & maintaining functional efficiencies***

Our Company intends to improve functional efficiencies to achieve cost reductions to have a competitive edge over the peers. Our employees are regularly motivated to increase efficiency. We believe that this can be done through economies of scale and repeat purchases our customers. Increasing our penetration in newer regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability. Moreover, we will be expanding our exports to several markets through outsourcing. This will reduce financial leverage and improve operational efficiency and reduce risk.

***3. Cost effectiveness***

Apart from expanding business and revenues we have to concentrate on reducing the costs in order to remain competitive in the industry. Measuring and evaluating costs at each cost center and bench marking the same to industry/scientific standards is our core strategy to control direct costs and overheads. Our focus has been

to reduce the operational costs to gain competitive edge. We are, to some extent successful in our efforts and hope to continue more vigorously to bench mark ourselves with the best in the industry.

***4. Maintain our focus to strengthen customer relationship***

We expect to maintain our focus on customer relationships. We believe that there are significant business opportunities from existing as well as potential customers as we diversify our product portfolio and build upon the existing relationships. We believe that this strategy would increase our customer specific knowledge and the industry requirements, enabling us to provide best products to our customers as per their requirement and develop closer relationships with these customers.

***5. Enhance customer base by entering new geographies to establish long-term relationships***

We propose to increase our marketing efforts in exporting by exploring new markets and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further our company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by value adding value to our customers through innovation, quality assurance and timely delivery of our products.

***6. Enhance product quality***

Quality is core to our believe system. We believe that consistency of quality products makes repeat purchases from customers. To make sure that happens, we have various supervisors positioned at different points of value chain making inspections and quality checks. Beyond this, we follow the highest quality standards not only in delivering finished products, but also while procuring the raw materials as well. We have received several certifications and awards, and our prestigious clientele stands as a true testimony to our efforts.

***7. Maintain a healthy working capital management***

Our working capital is stressed to its maximum efficiency. We strive to maintain this healthy level of working capital. We also work on order book basis, so there are no uncertainty in production requirements.

***8. To build-up a professional organization***

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day to day operations. We will consistently put efforts to transform our employees into an outstanding team of empowered professionals which helps in further accelerating the wheels of development in our company.

## FINANCIAL SNAPSHOT

Financial Snapshot of our Company as per Restated Financial Information is as under:

**(₹ in lacs)**

| Particulars | For the Financial year ended on March 31 2022 | For the Financial year ended on March 31 | |
|---|---|---|---|
| | | 2021 | 2020 |
| Total Revenue | 14,947.02 | 7,670.06 | 21,571.46 |
| EBITDA | 1032.71 | 965.26 | 1,041.28 |
| PBT | 153.03 | 50.70 | 156.49 |
| PAT | 188.54 | 35.25 | 109.10 |

## REVENUE BREAKUP

Revenue breakup of our Company as per Restated Financial Information is as under:

*(₹ in lacs)*

| Particulars | For the Financial year ended on March 31, 2022 | For the Financial year ended on March 31 | |
|---|---|---|---|
| | | 2021 | 2020 |
| Manufacturing of Grey fabric | 10333.00 | 5,486.39 | 16,464.43 |
| Manufacturing of Readymade garments | 4567.64 | 2,169.34 | 5,087.21 |
| **Total** | **14,900.64** | **7,655.73** | **21,551.64** |

## EXPORT AND EXPORT OBLIGATIONS

Revenue breakup of our Company based on domestic and exports as per Restated Financial Information is as under:

*(in ₹)*

| Particulars | For the Financial year ended | | For the Financial year ended on March 31 | | | |
|---|---|---|---|---|---|---|
| | March 31, 2022 | In % | 2021 | In % | 2020 | In % |
| Domestic Customers | 145,54,27,853 | 97.80 | 73,11,56,154 | 95.75 | 2,09,26,60,054 | 97.12 |
| Exports (Countries): | | | | | | |
| Vietnam | 1,01,25,565 | 0.68 | 1,60,02,334 | 2.10 | 2,57,75,331 | 1.20 |
| UAE | 22,39,637 | 0.15 | 8,39,075 | 0.11 | 63,41,969 | 0.29 |
| Peru | - | - | 15,34,441 | 0.20 | - | - |
| Bangladesh | - | - | - | - | 1,95,55,948 | 0.91 |
| USA | 92,12,393 | 0.62 | 64,86,242 | 0.85 | 86,39,969 | 0.40 |
| Colombia | 66,75,109 | 0.45 | 68,91,428 | 0.90 | 12,29,773 | 0.06 |
| Indonesia | - | - | - | - | 4,75,167 | 0.02 |
| Czech Republic | 10,26,942 | 0.07 | 6,63,834 | 0.09 | - | - |
| The Gambia | 34,78,267 | 0.23 | - | - | - | - |
| **Total Exports** | **3,27,57,913** | **2.20** | **3,24,17,354** | **4.25** | **6,20,18,157** | **2.88** |
| **Total Revenue** | **1,48,81,85,766** | **100.00** | **76,35,73,508** | **100.00** | **2,15,46,78,211** | **100.00** |

Our Company is engaged into exports directly with the customers where our Company have in-house team which looks after export documentation and activities. Our Company relies on third party logistic services to deliver the goods to our customers. Our Company have acquired Import Export Code (IEC) from Directorate General of Foreign Trade, India (DGFT) for Export-Import activities.

Our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

## OUR MAJOR CUSTOMERS

Revenue breakup of our Company as per Restated Financial Information is as under:

**(₹ in lacs)**

| Particulars | For Financial Year ended on March 31, 2022 | | For Financial Year ended on March 31, 2021 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| Top 5 | 8,654.86 | 58.13% | 2,964.70 | 39% |
| Top 10 | 1,08,28.82 | 72.73% | 4,362.07 | 57% |

## BUSINESS PROCESS

We primarily follow a business-to-business or a business-to-business-to-consumer model for our product categories. The process starts after the order has been received, we send it to the factories to analyse the designs and specifications shared to have an idea about the raw materials available and raw materials needed to process the order timely with the best quality results. After checking the calculation for the balance raw materials needed, we make them available for our factory workers to initiate the production. Once, the production gets completed we forward the cloth to the clients to approve the quality and designs and then work towards the finishing of the product order. After the whole order gets ready to dispatch, the order is sent to the designated destination with the help of assigned distributors to make it available at all stores where the requirement was needed.

## OUR PRODUCT MIX

Our products are divided in two major categories namely:

1. **Grey Cloth**

Below is an illustrative list of products that we deal in bifurcated in different categories:

***Home furnishing grey cloth***



***Suiting grey cloth***



2. **Readymade garments**

Below are an illustrative list of products that we deal in bifurcated in different categories:

***Shorts***



***Jogger***






***Track Pants***




***Trouser***







***Chino***



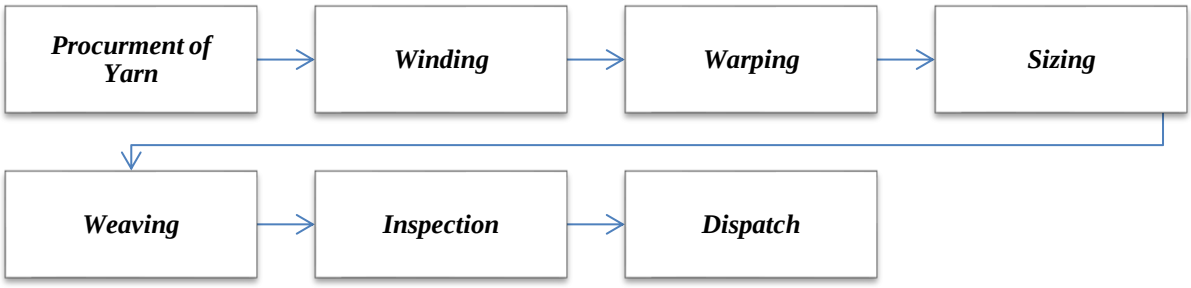
***Formal Shirts***



## MANUFACTURING PROCESS

### a. Manufacturing of grey fabric through weaving process

Weaving is process of converting yarn into fabric interlacement of yarns. Below is the flow chart our manufacturing of grey fabric through weaving process.




#### 1. *Procurement of yarn*

The process starts by acquiring right quality of yarn as per the requirements of the client. We source the yarn locally depending upon the need.

#### 2. *Winding*

This process removes objectionable forts in the fiber and makes it balanced for further processing. This is done through a machine called winding machines. This machine also winds the refined yarn on to a bobbin known as cones.

#### 3. *Warping*

Warping is the process of combining yarns from different cones together to form a sheet. This process is performed to achieve better performance during the weaving process.

4. ***Sizing***

Sizing is an intermediate protective process which is done to prepare the yarn for the weaving. In this process a protective adhesive (synthetic/ natural) coating is applied upon the yarns surface to give it additional strength.

5. ***Weaving***

Depending upon the requirements, the yarn is then woven through different techniques such as plain weave, twin weave, sateen weave etc. This process is carried out on weaving machine which produces the final products known as grey cloth.

6. ***Inspection***

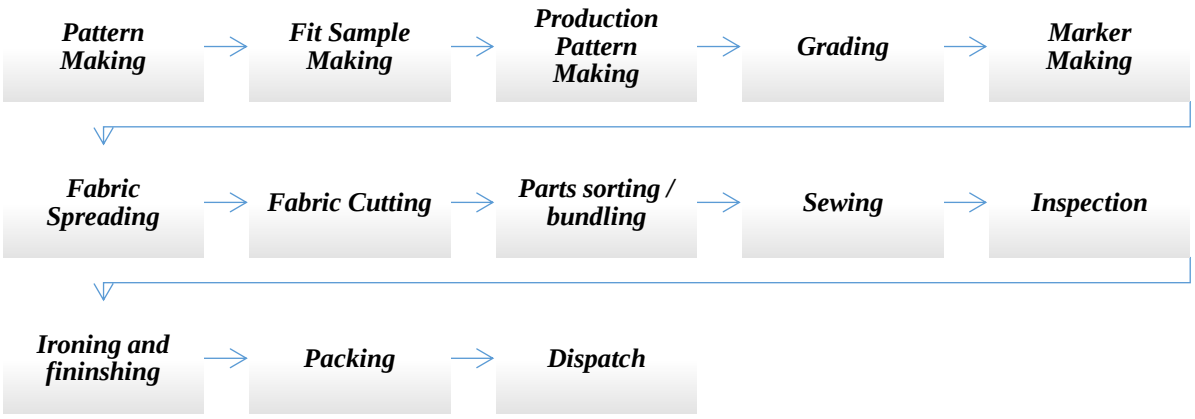
The grey cloth is then inspected for the required quality. Once it passes the minimum quality requirements, it is forwarded for further process.

7. ***Dispatch***

Once the finished product is approved by the inspection team, the fabric is dispatched to the customer in their desired mode of transportation. We rely on third party transportation for dispatch.

**b. <u>Manufacturing of readymade garments</u>**

After sourcing the order, we receive the product specification from the customer. We use the designs provided by the client for each order and proceed with the manufacturing. Below is a flow chart of manufacturing readymade garment.




1. ***Pattern Making:***

By following the technical sheet and art-work, the pattern of each garment style should be made. It's done both manually and by using a computerized method.

2. ***Fit Sample Making:***

The main target of making a fit sample is to follow the detailed instruction about the style of that garment. After making it's sent to the buyer to rectify. It's done manually.

3. ***Production Pattern Making:***

For bulk production, allowance is added here with net dimension. Production Pattern Making is done both manually and by using the computer.

4. ***Grading:***

During an order confirmation, the buyer suggests the size ratio of that order. So that order should be graded according to the buyer's instruction. Grading is done manually or by using the computer.

5. ***Marker Making:***

Marker is a very thin paper that contains all the parts of a particular garment. To make the cutting process easy, it's must be needed. Marker making process can be done both manually and by using the computer.

6. ***Fabric Spreading:***

To cut the fabric properly fabric is spread inlay form. Fabric Spreading is done manually or by using a computerized method.

7. ***Fabric Cutting:***

Fabrics have to cut here according to the marker of garments. The fabric cutting process is done by using a manual method or computerized method.

8. ***Parts Sorting or Bundling:***

Here, cutting parts have to sort out or make bundling to send these easily into the next process. This process is done manually.

9. ***Sewing:***

All the parts of a garment are joined here to make a complete garment. The sewing process is done manually.

10. ***Inspection:***

After completing sewing, inspection should be done here to make fault free garments. Garments Inspection is done by using the manual method.

11. ***Ironing and Finishing:***

Here garments are treated by steam; also required finishing should be completed here. This process is done by using the manual method.

12. ***Packing:***

Complete garments are packed here by using the buyer's instructed poly bag. Garments packing are done by using the manual method.

13. ***Dispatch***

Once the finished product is approved by the inspection team, the fabric is dispatched to the customer in their desired mode of transportation. We rely on third party transportation for dispatch.

## COMPETITION

Our industry faces moderate competition from scattered unorganized in the domestic market as well as in the international market. We have a number of competitors who manufacture and trade products, which are similar to us.

Even with a diversified product portfolio, quality approach we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability.

## Impact of Covid-19

The impact of Covid-19 was the maximum in the first wave during March 2021. As Our Company was adjusting to this change in the market dynamics, we restarted our factory operations in April 2021 and we diversified our portfolio to produce PPE kits owing to the high demand for the product, along with weaving and garmenting operations. By September 2021, Our Company came back on track and post this, during the subsequent Covid-19 waves, Our Company was fully prepared to withstand them and flourish.

## HUMAN RESOURCE

The manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour, which is readily available in Gujarat. The detailed break-up of our total employees is as under:

| Department | No. of Employees |
|---|---|
| Accounts | 15 |
| Legal | 3 |
| Administration | 19 |
| Marketing | 8 |
| Production | 620 |
| Contractual Labour | 160 |
| **Total** | **825** |

## UTILITIES & INFRASTRUCTURE FACILITIES

### Infrastructure Facilities

Our registered office is well equipped for our business operations to function smoothly.

### Power

Our manufacturing unit has adequate power supply position from the state supply utilities. The company has sanctioned power from Dakshin Gujarat Vij Company Limited. We have also installed a transformer and three diesel generator set for power back up.

### Water

We have adequate arrangements with respect to water requirements for drinking purpose, which are made available at premises of the Company. We have proper water connection from GIDC.

### Technology

Our Company is technology services provider, we have adequate computer systems, servers and other communication equipment's, Internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

### Waste Management

Company has installed appropriate waste management system. Our Company has their own ETP plant for toilet waste management.

## COLLABORATIONS

As on date of this Prospectus, we do not have any technical, financial and performance guarantee collaborations with any parties.

## PLANT & MACHINERIES

| Type of Machinery | Quantity |
|---|---|
| Weaving Machineries | 64 |

| | |
|---|---|
| Garment Manufacturing Machineries | 770 |
| **Total** | **962** |

## CAPACITY AND CAPACITY UTILIZATION

Below is Capacity utilization details:

| Particulars | Installed capacity | Utilized capacity | Capacity utilization |
|---|---|---|---|
| Grey fabric | 5,00,000 meter per month | 4,50,000 meter per month | 90.00% |
| Readymade garments | 1,50,000 pieces per month | 1,20,000 pieces per month | 80.00% |

## END USERS

Our products are primarily used by big retail companies, corporates, export markets, local markets and government departments.

## RAW MATERIAL

Our Company procures raw materials like cotton yarn and PV-Yarn, of the highest quality post spinning from various companies. We then use it for weaving and further processing. For readymade garments our major raw material is fabric, we source it locally depending upon client's requirements.

## INFORMATION TECHNOLOGY

We have Doss based package for textile division which keep day to day records from yarn to finish dispatch. For readymade garments we use package on SQL for maintaining inward & outward synchronization with all internal operations. We use TALLY ERP 9 multiuser software for accounting purpose.

## INVENTORY & LOGISTICS

Our Company maintains the inventory inside the plant department-wise with proper computerized stock assessment and monitoring with tabs kept on those inventory which are received and are dispatched.

## EXPORT AND EXPORT OBLIGATIONS

Our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

## INSURANCE

Our Company maintains insurance policies against various risks inherent in our business activities, including our stocks and fixed assets; under various burglary, fire and special perils, money, public liability policies, providing insurance cover against damages to stocks and assets of the Company and damages to third parties from accidents, infidelity, housebreaking, cash and stock in transit, monetary loss, that may result in damages to our Company including damages to our assets or stocks which we believe to be appropriate for our business.

## INTELLECTUAL PROPERTY RIGHTS

Except as mentioned below, we do not have any registered intellectual property rights as on date of filing this Prospectus:

| S. No | Nature of Registration/License | Registration / License No. | Status | Applicable Laws | Issuing Authority |
|---|---|---|---|---|---|
| 1. | Registration of Trademark under Class 25<br>VELAMEN | 2190898 | Registered | Trademarks Act, 1999 | Registrar of Trademarks |

## KEY INDUSTRIAL REGULATIONS AND POLICIES

*The indicative summary detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice.*

*The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.*

### *A. Industry Related Laws and Regulations*

#### *Technology Up-Gradation Fund Scheme*

Ministry of Textiles has been implementing Technology Upgradation Funds Scheme ("**TUFS**") since 1999 to facilitate technology upgradation of textiles industry in the country. TUFS aims at making available funds to the domestic textile industry of existing units as well as to set up new units with state-of-the-art technology so that its viability and comprehensiveness in the domestic as well as international markets may enhance. TUFS provides for interest reimbursement/capital subsidy/margin money subsidy and has been devised to bridge the gap between the cost of interest and the capital component to ease up the working capital requirement and to reduce the transaction cost, etc. TUFS is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets, through technology upgradation, cost effectiveness, quality production, efficiency and global competitiveness.

#### *National Textile Policy, 2000*

The National Textile Policy, 2000 ("**NTP 2000**") aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing and to equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market. NTP 2000 aims at developing a strong and vibrant textile industry that can produce quality products at acceptable prices. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 includes increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include initiatives regarding improving the availability, productivity and quality of raw materials at reasonable prices for the industry, improving the production, productivity and quality of cotton. Initiatives were also proposed for the spinning sector, weaving sector, organised mill industries, powerloom industry, knitting sector, processing and finishing sector for achieving ISO 9000 and ISO 14000 standards. Export specific reforms were also proposed in order to be consistent with World Trade Organization norms.

Ministry of Textiles is contemplating a New Textile Policy which has not been finalized and it is at draft stage. The New Textile Policy, inter alia, will give thrust on enhancing export performance and creating better employment opportunities. The New Textile Policy is being formulated by holding widespread consultations with various associations, industry bodies, State Governments and other stakeholders representing subsectors viz. Cotton, Silk, Jute Wool, Handloom, Handicrafts, Powerloom etc.

#### *Gujarat Textile Policy, 2012 (Integrated Approach to Strengthen the Value Chain for the 5 Fs – Farm, Fibre, Fabric, Fashion and Foreign)*

The State of Gujarat introduced the Gujarat Textile Policy, 2012 with an aim to enhance the growth of cotton farmer by way of better price realization and enable them to withstand the uncertain and price fluctuation of cotton, both in domestic and international market in one hand and to strengthen the entire value chain for the growth and development of textile sector in Gujarat by working on the 5 Fs - Farm, Fibre, Fabric, Fashion (garment) and Foreign (export) on the other hand. Eligible entities will be provided various incentives under the different schemes under the policy. Major schemes under the policy are as follows:

- **Interest Subsidy Scheme:**

A maximum interest subsidy of 5% (7% on spinning unit and garment/made-ups unit spinning) has been provided on new plant and machinery, without ceiling, for weaving, knitting, machine carpeting and other textile related activities, also on second hand imported weaving (power loom) with certain conditions, for the period of 5 years. Interest subsidy of 5% on new plant and machinery, without ceiling, for weaving, knitting, machine carpeting and other textile related activities, also on second hand imported weaving (power loom) with certain conditions, for the period of 5 years.

- **Special Concession in Power tariff:**

  Power Tariff subsidy of @ ₹ 1 per unit in the billed amount of the utility for the units available for a period of 5 years as promotional initiative for cotton spinning and industries with or without preparatory in State of Gujarat.

- **VAT Concession:**

  Eligible units will also be entitled to refund of VAT paid on purchase of raw materials and remission of VAT/CST collected on final/intermediate product within entire value chain to the extent of 100% the eligible fixed capital investments in plant and machinery within 1 year (2 years in case pf investment of more than ₹50000 lacs).

- **Support to Technical Textiles:**

  Eligible entities will be provided a maximum interest subsidy @ 6% per annum for a period of 5 years.

- **Assistance for Energy and Water Conservation and Environment Compliances:**

  Under the scheme assistance of 20 % of cost of equipment, maximum up to ₹30 lacs; which will be applicable separately in each case of Energy Conservation, Water Conservation and Environment Compliance. Assistance of 50% of the fee paid towards Energy Audit, up to maximum ₹ 50,000, which will be applicable separately in each case of audit. This scheme will only be eligible for an existing enterprise for a period of more than 3 years.

- **Assistance for Technology Acquisition and Upgradation:**

  The enterprise acquiring technology will be provided financial assistance of up to 50% of the investment for technology acquisition / collaboration, with maximum of ₹25 lacs per process/product, once during operative period of the scheme.

- **Assistance to Apparel Training Institutions and Trainees:**

  Under this scheme, financial assistance as reimbursement of training cost with maximum limit of ₹7000 per trainer per week will be provided to apparel training institutions/centers approved by state level committees for imparting training to the trainer at 100% in case of trainers attending autonomous institutions promoted by government or public sector undertaking and at 50% in case of trainers attending other institutions. The training period should not exceed 4 weeks.

- **Training Support to Power Loom Sector:**

  Under this scheme the trainees of power loom will be given a stipend of ₹2500 per month for a period of 3 months. Allowances towards cost of transport and incidental expenses to weavers @ ₹200 per day for a duration of 2 days and to jobbers @ ₹300 per day for a duration of 6 days will be given.

- **Scheme for Integrated Textile Parks:**

  Incentives are provided for setting up of Textile and Apparel Park in the state of Gujarat with a provision for location of minimum 20 numbers of manufacturing / service enterprises (minimum 10 for spinning unit). The Park will be provided financial assistance of up to 50% with maximum limit of ₹1000 lacs (₹3000 lacs for Spinning Park) of total project cost for establishing common infrastructure facilities, excluding land cost.

***Gujarat Industrial Policy, 2020***

Gujarat Industrial Policy, 2020 has been introduced to create an enabling business environment facilitated by a single window system, to enable industries to set high quality standards and enhance exports to have a focused approach for industrially underdeveloped areas and facilitate inclusive and balanced regional growth, to promote industries focusing to adopt sustainable, cleaner manufacturing and innovative Industry practices, to strengthen MSMEs and facilitate cluster development, and to strengthen complete value chain across product segment with focus on the objective of an "Atmanirbhar Bharat". The Gujarat Industrial Policy, 2020 aims to establish a business environment facilitated by a single window system to encourage industries to set high quality standards, facilitates inclusive and balanced regional growth, sustainable manufacturing and innovative industry practices. Additionally, the policy intends to strengthen MSME's and complete value chain across product segment with an objective of "Atmanirbhar Bharat". Further, it strengthens R&D, innovation and entrepreneurship, provide increased impetus to certain Thrust Sectors with significant potential for employment, exports, investments etc. and facilitates growth of service sector industries in the State.

The policy provides various measures have undertaken various measures and regulatory reforms to enhance ease of doing business in Gujarat State. It aims to facilitate a process for the speedy issuance of various licenses, clearances and certificates required for setting up a business unit.

This policy shall be valid for a period of 5 years from August 7, 2020.

***Textiles Committee Act, 1963***

The Textiles Committee Act, 1963 ("**TCS**") came into force on August 22, 1964. A textiles committee ("**Textiles Committees**") has been established under TCS with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee's functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textiles Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under TCS.

***Textile (Development and Regulation) Order, 2001***

The Textile (Development and Regulation) Order, 2001 ("**Textile Order**") was brought into force by the Central Government under Section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade Marks Act, 1999, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or tradename.

***Cotton Control Order, 1986***

The Cotton (Control) Order, 1986 ("**Cotton Order**") prescribes the maximum quantity of cotton that may be possessed by a manufacturer, a cotton ginning factory, a cotton pressing factory, a cotton ginning and pressing factory and a person (other than a member of a Hindu Undivided Family growing cotton). The Cotton Order establishes the office of the Textile Commissioner as the regulatory body. The Cotton Order further specifies the quality standards that have to be met while picking cotton for the purposes of export and domestic consumption as well as the markings that have to be made on the cotton bale before marketing of the same.

***B. Employment and Labour Related Laws and Regulations***

***Factories Act, 1948***

The term 'factory', as defined under the Factories Act, 1948 ("**Factories Act**") includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any

manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. Respective State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the 'occupier' of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the occupier" of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. 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 or with a fine or with both.

***Employees' Compensation Act, 1923***

The Employees Compensation Act, 1923 ("**EC Act**") provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within 7 days of death/serious bodily injury.

***Employees' Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") is applicable to factories and establishment employing more than 20 employees, subject notification by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF 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 Central Government under Section 5 of the EPF Act frames the Employees Provident Scheme, 1952.

***Employees' State Insurance Act, 1948***

The Employees' State Insurance Act, 1948 ("**ESI Act**") an act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under ESI Act. The ESI Act requires all the employees of the establishments to which the ESI 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.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**") was enacted by the Indian Parliament to provide protection against sexual harassment of women at workplace and prevention and redressal of complaints of sexual harassment and for matters connected therewith. The POSH Act makes it mandatory for every organisations to frame an anti-sexual harassment policy. Further an organisations having 10 or more employees is required to constitute an Internal Complaints Committee to entertain complaints that may be made by an aggrieved woman. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

***Shops and Establishments Legislations***

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All establishments have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

***Gujarat Labour Welfare Fund Act, 1953***

The Gujarat Labour Welfare Fund Act, 1953 ("**Welfare Fund Act**") read along with Labour Welfare Fund (Gujarat) Rules, 1962 (formed in accordance with Section 19 of the Bombay Labour Welfare Fund Act, 1953) ("Welfare Fund Rules") provides for the constitution of a fund comprising of all fines realized from employees, all unpaid accumulations, any contribution paid under Section 6B, any interest paid under Section 6C, any voluntary donations, any fund transferred under Section 7(5), any sum borrowed under Section 8, any loan, grant-in-aid or subsidy paid by the State Government or any local authority or statutory corporation, all sums received in any other manner or from any other source. Section 6B of the Welfare Fund Act provides for employers' contribution at the rate of six rupees every six months, for each employee and employees' contribution at the rate of three rupees every six months, for each employee. Further, as per the Welfare Fund Act, read with Rule 3AA of the Welfare Fund Rules made thereunder provide for an establishment register to be maintained.

In addition to the abovementioned labour laws, following labour related legislations are also applicable to our Company:

- The Apprentices Act, 1961;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986.

In order to rationalize and reform all labour laws in India, the Indian Government has notified four labour codes which are yet to come into force as on the date of this Prospectus, which are as follows:

***Code on Wages, 2019***

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and propose to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

***Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the InterState Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

***Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

***Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

***C. Environmental Laws and Regulations***

***Environment (Protection) Act, 1986***

The Environment (Protection) Act, 1986 ("**EPA**") has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

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

The Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

***Water (Prevention and Control of pollution) Cess Act, 1977***

The Water (Prevention and Control of pollution) Cess Act, 1977 ("**Water Cess Act**") lays down levy and collection of cess for the purpose of the Water Act. Further, the Central Government is also empowered to exempt the levy of water cess under the Water Cess Act. The Central Government shall take into consideration nature of raw materials, effluents, source of water extraction, nature of effluent receiving bodies and production data. Schedule II of the Water Cess Act gives details regarding purpose for which water is consumed in different industries.

***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. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the relevant state pollution control board. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016***

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Waste Rules**") regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term "hazardous waste" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

***Public Liability Insurance Act, 1991***

The Public Liability Insurance Act, 1991 ("**PLI 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 PLI Act 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 PLI Act. The rules made under the PLI 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.

In addition to the above-mentioned environmental laws, there are other environmental laws which may be applicable to our Company as per the nature of the business activities carried-out by us.

***D. Intellectual Property Related Laws and Regulations***

***Trademarks Act, 1999***

The Trademarks Act, 1999 ("**Trademarks Act**") governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. As per the provisions of the Trademarks Act, an application for trademark registration may be made with the relevant Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trademarks Act. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

***Patents Act, 1970***

The Patents Act, 1970 ("**Patents Act**") governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period of 20 years, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

***Designs Act, 2000***

The Designs Act, 2000 ("**Designs Act**") protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. The Design Act provides an exclusive right to apply a design to any article in any class in which the design is registered.

### *E. Taxation Related Laws and Regulations*

#### *The Customs Act, 1962*

All the provisions relating to customs applicable on import/export of goods in/from India are consolidated under the Indian Customs Act, 1962. Customs duties are levied on the goods at the rates specified in the Schedules of the Customs Tariff Act, 1975. The Taxable event is import into or export from India. Export duties (Second Schedule) are levied at present on a limited number of items but import duties are levied at present on almost all items except few. The said Act also provides for valuation of imported goods and export goods along with assessment procedure for proper implementation of the provisions.

#### *Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976 and The Gujarat State Tax on Professions Traders, Callings and Employments Rules, 1976*

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of 'dealer' defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than ₹ 2.50 lakh, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlors, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc. are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisations. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager of agent of the employer.

#### *Central Goods and Services Tax Act, 2017 ("CGST Act"); Integrated Goods and Services Tax Act, 2017 ("IGST Act"); and the various State Goods and Services Acts (collectively "SGST Acts")*

The Goods and Services Tax (GST) has replaced various erstwhile taxes levied and collected by the Central and State Government like central excise duty, service tax, State VAT, central sales tax, luxury tax etc. GST is applicable on the supply of goods or services as against the earlier concept of excise duty on the manufacture and VAT/CST on sale of goods or Service Tax on provision of services. It is a consumption-based tax. GST is levied by the Centre on intra-State supply of goods and/or services is called the Central GST and that is levied by the States is called the State GST. An Integrated GST under the IGST Act, is levied and collected by the Centre on inter-State supply of goods and services.

As GST is levied on every level of supply chain, thus, to remove cascading effect tax payers are allowed to take credit of taxes paid on inputs and utilise the same for payment of output tax payable on supply of goods or services as per the applicable provisions.

#### *Income Tax Laws*

The Income Tax Act, 1961 ("**IT Act**") which inter alia governs the income tax on different categories of income accrued and received by an Indian company. An Indian company is taxed on its universal income. As per the provisions of the IT Act, the income tax is paid by the companies registered in India on the net profit that it makes from businesses and other incomes. It is taxed at a specific rate as prescribed by the IT Act, subject to the changes in the rates announced, if any, every year.

### *F. Foreign Trade and Investment Related Laws and Regulations*

#### *Foreign Trade (Regulation and Development) Act, 1992*

The Foreign Trade (Regulation and Development) Act, 1992 ("**FTA**") is the main legislation concerning foreign trade in India. FTA read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2021-2026 prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("**IEC**") granted by DGFT. Hence, every entity in India

engaged in any activity involving import or export is required to obtain an IEC unless specifically exempted from doing so. IEC shall be valid until it is cancelled by the issuing authority. IEC allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain IEC shall attract penalty under the FTA.

***The Foreign Exchange Management Act, 1999***

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**"), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEM Rules**") and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment in India has now been entrusted to the concerned administrative ministries/departments.

The aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the concerned administrative ministries/departments.

***G. Other Application Laws and Regulations***

***Companies Act, 2013***

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, and remuneration of directors, meetings of directors and shareholders, declaration of dividend, the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies.

***Competition Act, 2002***

The Competition Act, 2002 ("**Competition Act**") is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Competition Act deals with prohibition of (i) certain agreements such as anti-competitive agreements; and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The Competition Commission of India ("**CCI**") is the market regulator in India established in accordance with the provisions of the Competition Act. The prima facie duty of CCI is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. Further, any combinations, such as merger, amalgamation, acquisition or similar arrangement, which meet a certain asset/turnover threshold as prescribed in the Competition Act mandates CCI approval which involves complex filing requirements. CCI has extra territorial jurisdiction, to investigate, order inquiry and pass order, in respect of the acts taken place outside India which has or may have appreciable adverse effect in India.

***Consumer Protection Act, 2019***

The Consumer Protection Act, 2019 ("**COPRA, 2019**") has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. In order to address the consumer disputes' redressal mechanism, it provides a mechanism (three tire consumer redressal mechanism at national, state and district levels) for the consumers to file a complaint against a trader or service provider. COPRA, 2019 provides for penalty for, among others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The scope of the punitive restraint measures employed by the act include both – monetary penalties for amounts as high as ₹ 50 lakh to imprisonment which may extend to life sentences, for distinct offences under COPRA, 2019.

***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act,1992 the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the 12th Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

***Electricity Act, 2003***

The Electricity Act, 2003 ("**Electricity Act**") consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

***Indian Boilers Act, 1923***

The Indian Boilers Act, 1923 (the "**Act**") consolidates and amends the law relating to steam boilers. This Act was enacted with the objective of providing for the safety of life and property of persons from the dangers of steam boilers and for achieving uniformity in registration and inspection during the operation and maintenance of boilers in India. The owners of boilers which are not exempted from this Act are required to register their boilers by applying to the Inspector with prescribed documents, following which the Inspector shall fix a date within 30 days of receipt and shall inspect the boiler and documents. If the Inspector is satisfied that the boiler has not suffered any damage during its transit from the place of manufacture to the sire of erection, and with the documents, he may register the boiler and assign a register number thereto and also issue a certificate to the owner authorising the use of the boiler for a period not exceeding 12 months at a pressure he thinks is fit and in accordance with the regulations made under this Act. The certificate may be renewed upon expiry or if there has been an accident with the boiler. Any contravention to the provisions of this Act shall be punishable with imprisonment, which may extend to two (2) years or with fine which may extend to ₹ 01 lacs or with both.

***Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 ("**LM Act**") seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the license under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act.

***Sale of Goods Act, 1930***

The Sale of Goods Act, 1930 (the "***Sale of Goods Act***") governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

***Indian Stamp Act, 1899***

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list mentioned in the Seventh Schedule of the Constitution of India, is governed by the provisions of the Indian Stamp Act, 1899 (the "***Act***"), all others instruments are required to be stamped, as per the rates laid down by the State Governments. Stamp duty is required to be paid on such category of transaction documents laid down under the various laws of the states, which denotes that stamp duty was paid before the document became legally binding. The stamp duty has to be paid on such documents or instruments and at such rates which have been specified in the First Schedule of the Act. Instruments as mentioned in the said schedule of the Act, if are not duly stamped are not admissible in the court of law as valid evidence for the transaction contained therein. The Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the relevant authorities and validated by imposing of penalty on the parties. The amount of penalty payable on such instruments may vary from state to state

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

The Micro, Small and Medium Enterprises Development Act, 2006 was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("**MSME**"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 01, 2020 revising definition and criterion and the same has come into effect from July 01, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as '*Veekayem Textile Mills Private Limited*' on September 17, 1985 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 13, 2018, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to *'Veekayem Textile Mills Limited'* and a fresh certificate of incorporation dated June 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. Subsequently, pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on August 18, 2018 the name of our Company was changed to *'Veekayem Fashion & Apparels Limited'* and a fresh certificate of incorporation dated October 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. The corporate identification number of our Company is U17120MH1985PLC037516.

**Change in registered office of our Company[#]**

The registered office of our Company was previously situated at 1/57, 5th Cavell Cross Lane, Dr Vaighas Street, Mumbai, Maharashtra - 400002. Thereafter, the registered office of our Company was changed to the following address:

| Date of Change | New address | Reason for Change |
|---|---|---|
| April 08, 2019 | 113/114, Udyog Bhavan, Sharma Ind. Estate, Walghat Road, Goregaon East, Mumbai, Maharashtra - 400006. | Administrative purposes |

*[#]we have placed reliance on the details and documents available with Board and/or Registrar of Companies to ascertain the details of changes in Registered Office in past. However, form for the relevant changes in Registered Office is not present in the records of the Company and is not found in the records of the RoC, as certified by M/s H. Maheshwari & Associates, Company Secretaries in Practice vide their search report dated March 03, 2022. For further information, please refer to 'Risk Factor No. 6 - Certain records and regulatory filings of our Company are not traceable' under section titled "Risk Factors" beginning on Page No. 24 of this Prospectus.*

**Main Objects of our Company**

The main objects of our Company are as follows:

1. *To carry on the business of manufacturers, importers and exporters, tailors and outfitters ,whole sale and retail dealers of readymade garments, measurement garments clothing and wearing apparel of men's, women's children, baby product of every kind, nature and description including sportswear, party wears, fashion wears, daily wear, wearing apparels, underwears, purses, belts, wallets shirts, suits, suitl·brassiers, maternity belts, knee caps, coats, panties, nighties, underwears, socks, stockings, sweaters, laces, hosiery goods, apparel, wearing attire and mantle, tailors, silk, mercers, makers and trimmings of every kind, corset makers, furriers, general drapers, haberdashers, hosiers, gloves, lace makers, clinical diapers, sanitary napkins, bandages, surgical dressings and dealers, feather dress, hatters, needlework, neck ware, ties, collars, cuffs scarves, handwoven khadi, cotton silk,woollen fabric, and its related accessories in India and outside India.*

2. *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, linen, flannels and all other articles of woollen and worsted materials and of all articles similar to the foregoing or any of them or connected therewith.*

3. *To carry on the business of Machine Combers and Re-combers of all types of fibres and materials, whether artificial or synthetic, to sort, ,blend, prepare willey, scour, carb, scribble, comb, dye, bleach, carbonize, spin, twist, double, wind, warp, weave, mend, finish, make up, back, buy, sell, import, export and deal in fibers, whether natural artificial or synthetic, tops, yarn rwoven, fabrics and textile fabrics and materials of kinds and to carry on all or any of the' trades or businesses of Combers, Re-combers, Top makers, Spinners, Weavers, Doublers, Printers, Dyers and Finishers, Bleachers, Carbonizers, Waterproofers of textile materials and fabrics of all kinds of Mill Owners generally, merchants, agents, importers, exporters, factors, agents, sellers of and dealers, in wool, worsted, silk hair alpaca, mohair, cotton, flax, jute, hemp, artificial and synthetic fibres and all or any fibrous substances, tops, noils, wasters paps and byproducts generally and all or any textile products, manufactured or unmanufactured.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Issue.

**Amendments to the Memorandum of Association[#]**

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

| Date of shareholder's resolution | Nature of amendments |
|---|---|
| October 11, 2021 | *Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each to ₹ 11,00,00,000 divided into 1,10,00,000 Equity shares of ₹ 10 each.* |
| August 18, 2018 | *Clause I of the MoA was amended to reflect the change in name of our Company from "Veekayem Textile Mills Limited" to "Veekayem Fashion and Apparels Limited".* |
| June 13, 2018 | *Clause I of the MoA was amended to reflect the conversion of our Company from a private limited company into a public limited company and the consequent change in name of our Company from "Veekayem Textile Mills Private Limited'" to "Veekayem Textile Mills Limited".* |

*[#]we have placed reliance on the details and documents available with Board and/or Registrar of Companies to ascertain the details of changes in MOA in past. However, form for the relevant changes in MOA is not present in the records of the Company and is not found in the records of the RoC, as certified by M/s H. Maheshwari & Associates, Company Secretaries in Practice vide their search report dated March 03, 2022. For further information, please refer to 'Risk Factor No. 6 - Certain records and regulatory filings of our Company are not traceable' under section titled "Risk Factors" beginning on Page No. 24 of this Prospectus.*

**Corporate profile of our Company**

For details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key products or services, entry in new geographies or exit from existing markets, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled *"Our Business", "Our Management"* and *"Management's Discussion and Analysis of Financial Position and Results of Operations"* beginning on Page Nos. 109, 135 and 160, respectively of this Prospectus.

**Major Events and Milestones**

The table below sets forth some of the key events, milestones in our history since its incorporation.

| Year | Events |
|---|---|
| 1985 | Our Company was incorporated as a private limited company |
| 2016 | Our Company was awarded as *"Best Supplier Partners – West"* by *Reliance Trends* for *Menswear* Category for the year 2015-16. |
| 2018 | Our Company was converted into a public limited company and subsequently, name of our Company was changed from "Veekayem Textile Mills Private Limited" to "Veekayem Textile Mills Limited" |
| | The name of our Company was changed from "Veekayem Textile Mills Limited" to "Veekayem Fashion and Apparels Limited" |

**Awards and Accreditations**

As on date of this Prospectus, our Company has not received any awards and accreditations.

**Time and Cost Overrun**

Our Company has not experienced any significant time and cost overrun in setting up projects.

**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.

**Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation**

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

**Revaluation of assets**

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

**Holding Company**

As on the date of this Prospectus, our Company does not have a holding company.

**Subsidiaries of our Company**

As on the date of this Prospectus, our Company does not have any subsidiaries.

**Associate or Joint ventures of our Company**

As on the date of this Prospectus, our Company does not have any joint ventures or associate companies.

**Strategic and Financial Partners**

As on date of this Prospectus our Company does not have any strategic and financial partners.

**Shareholders and Other Agreements**

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

**Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Guarantees given by Promoters offering its shares in the Offer for Sale**

This is a fresh issue of Equity Shares and our Promoters are not offering their shares in this Issue.

**Material Agreements**

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

## OUR MANAGEMENT

### Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Prospectus, we have five (05) Directors on our Board, which includes one (01) Managing Director, one (01) Whole Time Director, one (01) Non-Executive Directors and two (02) Independent Directors, one of whom is a woman director.

Set forth below, are details regarding our Board as on the date of this Prospectus:

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|---|---|---|
| **Krishankant Gupta**<br><br>**DIN:** 01741133<br><br>**Date of Birth:** April 22, 1958<br><br>**Designation:** Chairman & Managing Director<br><br>**Address:** Shriniketan 101, Sai-Baba Park, Plot 18/19, Evershine Nagar, Malad West, Mumbai, Maharashtra, India – 400 064.<br><br>**Occupation:** Business<br><br>**Term:** For a period of four (04) years with effect from February 10, 2022.<br><br>**Nationality:** Indian | 63 | Nil |
| **Vijaykumar Gupta**<br><br>**DIN:** 01781934<br><br>**Date of Birth:** June 13, 1954<br><br>**Designation:** Whole Time Director<br><br>**Address:** 401, Plot No. 18/19, Shree Niketan Saibaba Park, Evershine Nagar, Malad West, Mumbai, Maharashtra,<br>India – 400 064.<br><br>**Occupation:** Business<br><br>**Term:** For a period of four (04) years with effect from February 10, 2022.<br><br>**Nationality:** Indian | 67 | Nil |
| **Madanlal Gupta**<br><br>**DIN:** 01782815<br><br>**Date of Birth:** January 01, 1960<br><br>**Designation:** Non-Executive Director | 62 | Nil |

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|---|---|---|
| **Address:** 302, 18/19, Shriniketan, Near Sai Baba Park, Evershine Nagar, Malad West, Mumbai, Maharashtra, India – 400 064.<br><br>**Occupation:** Business<br><br>**Term:** Liable to retire by rotation<br><br>**Nationality:** Indian | | |
| **Madhukar Sharma**<br><br>**DIN:** 09489360<br><br>**Date of Birth:** March 20, 1959<br><br>**Designation:** Independent Director<br><br>**Address:** C-110, Highway Rose, Dixit Road, Vile Parle (East), Mumbai, Maharashtra, India – 400 057.<br><br>**Occupation:** Professional<br><br>**Term:** For a period of five (05) years with effect from February 09, 2022.<br><br>**Nationality:** Indian | 62 | Nil |
| **Santwana Vernekar**<br><br>**DIN:** 09488962<br><br>**Date of Birth:** May 29, 1971<br><br>**Designation:** Independent Director<br><br>**Address:** Building No. 3/104, Sanskruti Apartments, 90 Feet Road, Thakur Complex, Kandivali East, Mumbai, Maharashtra, India – 400 101.<br><br>**Occupation:** Professional<br><br>**Term:** For a period of five (05) years with effect from February 09, 2022.<br><br>**Nationality:** Indian | 50 | Nil |

**Brief Biographies of our Directors**

**Krishankant Gupta**, aged 64 years, is the Chairman of the Board, a Managing Director and one of the Promoters of our Company. He holds Bachelor's degree in Commerce from Kurukshetra University. He has more than 17 years of experience in the Textiles industry.

**Vijaykumar Gupta**, aged 68 years, is the Whole Time Director and one of the Promoters of our Company. He holds Bachelor's degree in Commerce from Dehradun University and also holds Degree in Business Management from Indian Institute of Marketing Management. He has more than 17 years of experience in the Textile industry.

**Madanlal Gupta**, aged 62 years, is the Non-Executive Director and one of the Promoters of our Company. He holds Bachelor's degree in Commerce from Mumbai University. He has more than 17 years of experience in the Textile industry.

**Madhukar Sharma**, aged 63 years, is an Independent Director of our Company. He holds Bachelor's degree in Commerce from University of Bombay. He has more than 40 years of experience in the Banking and Finance Industry.

**Santwana Vernekar**, aged 51 years, is an Independent Director of our Company. She holds Master's degree in Science from University of Bombay. She also holds Doctor of Medicine (Biochemic Medicine) from Alternative Medical Council Calcutta. She has also completed Doctorate in Management Studies with specialization in Pathology Laboratory Management from Indian School of Management Studies. She has vast business experience in Quality Assurance.

**Confirmations**

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Prospectus with the SEBI, during the term of his/ her directorship in such company.

2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

**Relationship between our Directors**

None of our Directors are related to each other.

**Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

**Payment or Benefit to officers of our Company**

Except as stated otherwise in this 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 as stated in this Prospectus and except for 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.

**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 of money for the purposes of our Company. Our Company has, pursuant to an Extra-ordinary General Meeting held on February 11, 2022, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 50,000 lacs.

**Terms of appointment and remuneration of our Managing Director**

Pursuant to a resolution passed by the Board of Directors at the meeting held on February 10, 2022 and approved by the Shareholders of our Company at the EGM held on February 11, 2022, Krishankant Gupta is appointed as the Managing Director of our Company for a period of four (04) years with effect from February 10, 2022 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

| | |
|---|---|
| **Basic Salary** | Rs. 12,00,000/- p.a. |
| **Allowances** | Leave Travel Allowances subject to actual cost |
| **Minimum Remuneration** | In the event of loss or inadequacy of profits in any financial year, Krishankant Gupta shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company. |

**Terms of appointment and remuneration of our Whole Time Director**

Pursuant to a resolution passed by the Board of Directors at the meeting held on February 10, 2022 and approved by the Shareholders of our Company at the EGM held on February 11, 2022, Vijaykumar Gupta is appointed as the Whole Time Director of our Company for a period of four (04) years with effect from February 10, 2022 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

| | |
|---|---|
| **Basic Salary** | Rs. 12,00,000/- p.a. |
| **Allowances** | Leave Travel Allowances subject to actual cost |
| **Minimum Remuneration** | In the event of loss or inadequacy of profits in any financial year, Krishankant Gupta shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company. |

**Remuneration details of our Directors**

*(i) Remuneration of our Executive Directors*

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2021 is as follows:

| S. No. | Name of the Director | Remuneration (₹ in lacs) |
|---|---|---|
| 1. | Krishankant Gupta | 13.91 |
| 2. | Vijaykumar Gupta | 12.61 |

Our Executive Directors were not paid sitting fee in Fiscal 2021 for attending meetings of the Board of Directors and its committees.

*(ii) Sitting fee details of our Independent Directors*

Our Independent Directors were not paid sitting fee in Fiscal 2021 for attending meetings of the Board of Directors and its committees. Our Board of Directors in their meeting held on February 09, 2022 have fixed ₹ 25,000/- p.a. as sitting fee for Non-Executive Directors for attending meetings of the Board of Directors and its committees.

**Payment or benefit to Directors of our Company**

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services

rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

**Remuneration paid to our Directors by our Subsidiary**

As on date of this Prospectus, our Company does not have a subsidiary.

**Loans to Directors**

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Prospectus.

**Shareholding of Directors in our Company**

Except as stated below, none of our Directors holds any Equity Shares of our Company as on the date of filing of this Prospectus:

| Sr. No. | Name of Director | Number of Equity Shares | % of the Pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Krishankant Gupta | 4,05,307 | 9.44% |
| 2. | Vijaykumar Gupta | 3,97,318 | 9.26% |
| 3. | Madanlal Gupta | 4,59,406 | 10.70% |

**Shareholding of Directors in our Subsidiaries**

As on date of this Prospectus, our Company does not have a subsidiary.

**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 Executive Directors*" above.

Krishankant Gupta, Vijaykumar Gupta and Madanlal Gupta are Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent that they have promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. 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*". All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

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 promoter, directors, partners, proprietors or trustees or kartas or coparceners 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 promoter, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in "*Financial Information*" and "*Our Promoters and Promoter Group*" beginning on Page Nos. 154 and 147, respectively of this Prospectus, our Directors are not interested in any other company, entity or firm.

Except as stated in "*Restated Financial Information - Annexure – IV: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements"* beginning on Page No. 154 of this Prospectus, our Directors do not have any other interest in the business of our Company.

**Interest as to property**

Except as disclosed in this Prospectus, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

**Bonus or Profit Sharing Plan for our Directors**

None of our Directors are a party to any bonus or profit sharing plan.

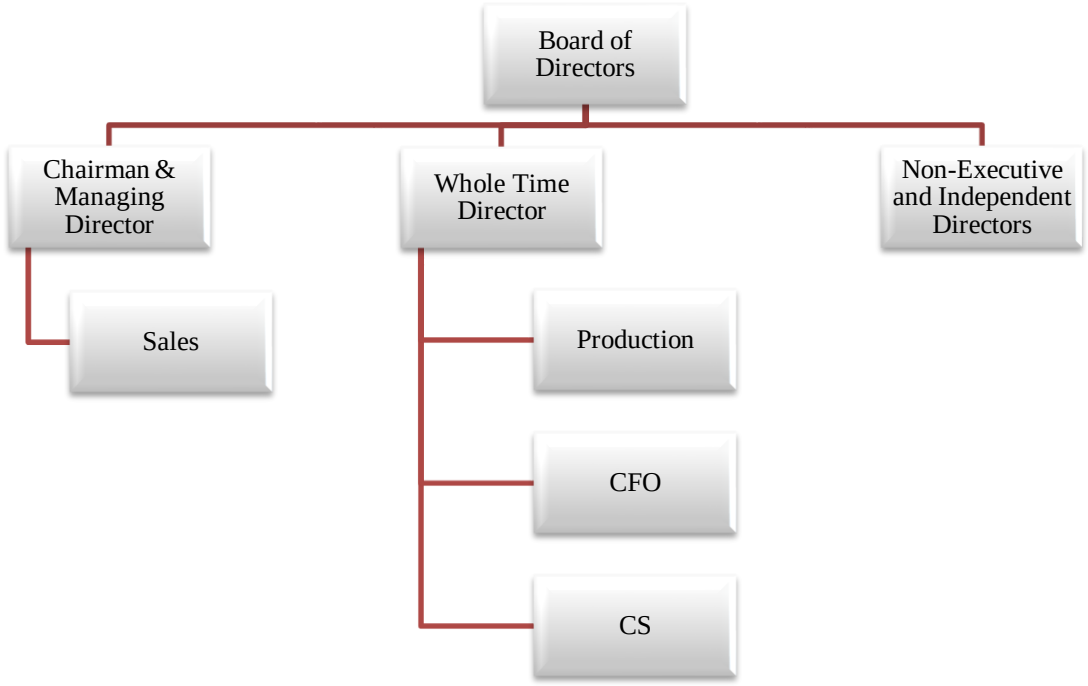
**Changes in our Board during the Last Three Years**

Except as disclosed below, there have been no changes in our Board during the last three years.

| Name of Director | Date of Appointment | Date of Cessation | Reason |
|---|---|---|---|
| Santwana Vernekar | February 11, 2022 | - | Regularization as Independent Director |
| Madhukar Sharma | February 11, 2022 | - | Regularization as Independent Director |
| Madanlal Gupta | February 11, 2022 | - | Regularization as Non-Executive Director |
| Vijaykumar Gupta | February 10, 2022 | - | Appointment as Whole Time Director |
| Krishankant Gupta | February 10, 2022 | - | Appointment as Managing Director |
| Madanlal Gupta | February 09, 2022 | - | Change in Designation to Non-Executive Director |
| Santwana Vernekar | February 09, 2022 | - | Appointment as Additional Independent Director |
| Madhukar Sharma | February 09, 2022 | - | Appointment as Additional Independent Director |
| Surendra Gupta | - | July 05, 2021 | Resignation as Director |
| Mahesh Kant Gupta | - | July 05, 2021 | Resignation as Director |
| Kaushik Gupta | - | July 05, 2021 | Resignation as Director |
| Arun Gupta | - | July 05, 2021 | Resignation as Director |
| Hemant Kumar Gupta | - | July 05, 2021 | Resignation as Director |
| Amit Gupta | - | July 05, 2021 | Resignation as Director |

**Management Organization Structure**

Set forth is the management organization structure of our Company:




**Corporate Governance**

The provisions of the SEBI Listing Regulations 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 exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, 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 undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

**Committees of our Board**

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

a) Audit Committee;
b) Stakeholders' Relationship Committee; and
c) Nomination and Remuneration Committee.

Details of each of these committees are as follows:

***a. Audit Committee***

Our Audit Committee was constituted on February 09, 2022 with the following members forming a part of the said Committee:

| Sr. No. | Name of Member | Designation |
|---|---|---|
| 1. | Madhukar Sharma | Chairman |
| 2. | Santwana Vernekar | Member |
| 3. | Krishankant Gupta | Member |

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

***A. Powers of Audit Committee***

The Audit Committee shall have the following powers:

- 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 the Audit Committee***

The role of the audit committee shall include the following:

1. 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;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, 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.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Monitoring the end use of funds raised through public offers and related matters;

8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

9. Approval of 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 2 (Zc) of the SEBI Listing Regulations and/or the Accounting Standards.

10. Scrutiny of inter-corporate loans and investments;

11. Valuation of undertakings or assets of the company, wherever it is necessary;

12. Evaluation of internal financial controls and risk management systems;

13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. 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;

15. Discussion with internal auditors of any significant findings and follow up there on;

16. 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;

17. 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;

18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. Reviewing the functioning of the whistle blower mechanism;

20. 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;

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.

23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.]

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
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
    a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
    b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

***b. Stakeholders' Relationship Committee***

Our Stakeholder' Relationship Committee was constituted on February 09, 2022. The members of the said Committee are as follows:

| Sr. No. | Name of Member | Designation |
|---|---|---|
| 1. | Madhukar Sharma | Chairman |
| 2. | Krishankant Gupta | Member |
| 3. | Vijaykumar Gupta | Member |

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

2. Review of measures taken for effective exercise of voting rights of by shareholders;

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and

5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

***c. Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted on February 09, 2021 with the following members:

| Sr. No. | Name of Member | Designation |
|---|---|---|
| 1. | Madanlal Gupta | Chairman |
| 2. | Madhukar Sharma | Member |
| 3. | Santwana Vernekar | Member |

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    a) use the services of an external agencies, if required;
    b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c) Consider the time commitments of the candidates.]

3. formulation of criteria for evaluation of performance of independent directors and the board of directors;

4. devising a policy on diversity of board of directors;

5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. recommend to the board, all remuneration, in whatever form, payable to senior management;

8. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or

- the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

9. evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and

10. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

**Our Key Managerial Personnel**

In addition to our Managing Director and Whole Time Director, whose details have been provided under paragraph above titled *'Brief Profile of our Directors'*, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Prospectus:

**Hemant Kumar Gupta**, aged 52 years, is the Chief Financial Officer of our Company. He is an associate member of the Institute of Chartered Accountants of India and has experience of more than 24 years. He is responsible for handling financial matters of our Company and is appointed with effect from February 09, 2022.

**Gopika Singh**, aged 35 years, is the Company Secretary and Compliance Officer of our Company. She is also associated as Non-Executive Director in a Company named 'Indian Rides Private Limited' since January 01, 2013 she holds a bachelor's degree in commerce from University of Rajasthan. She is an associate member of the Institute of Company Secretaries of India. She is responsible for handling secretarial matters of our Company and is appointed with effect from December 01, 2021.

All our 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 as disclosed under the heading *"Relationship between our Directors"* and herein above, none of the 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 as stated below, none of our KMPs holds any Equity Shares of our Company as on the date of filing of this Prospectus:

| Sr. No. | Name of KMP | Number of Equity Shares | % of the Pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Krishankant Gupta | 4,05,307 | 9.44% |
| 2. | Vijaykumar Gupta | 3,97,318 | 9.26% |
| 3. | Hemant Kumar Gupta | 4,06,856 | 9.48% |

**Bonus or Profit Sharing Plan for our Key Managerial Personnel**

None of our Key Managerial Personnel is a party to any bonus or profit sharing plan.

**Payment or benefit to Key Managerial Personnel of our Company**

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel.

**Interest of Key Managerial Personnel**

Except as disclosed in this Prospectus, none of our Key Managerial Personnel's have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

**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 immediately preceding the date of filing of this Prospectus:

| Name | Designation | Date of change | Reason |
|---|---|---|---|
| Krishankant Gupta | Managing Director | February 10, 2022 | Appointment |
| Vijaykumar Gupta | Whole Time Director | February 10, 2022 | Appointment |
| Hemant Kumar Gupta | Chief Financial Officer | February 09, 2022 | Appointment |
| Gopika Singh | Company Secretary | December 01, 2022 | Appointment |

The attrition of the key management personnel is as per the industry standards.

**Employees' Stock Option Plan**

As on date of this Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

**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 Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Prospectus, our Promoters hold, in aggregate of 12, 62,031 Equity Shares, constituting 29.41% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please refer chapter titled "*Capital Structure"* beginning on Page No. 57 of this Prospectus.

**Details of our Promoters**



**KRISHANKANT GUPTA**

Krishankant Gupta, aged 64 years, is the Chairman, Promoter and Managing Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled *"Our Management"* beginning on Page No. 135 of this Prospectus.

**Date of birth:** April 22, 1958

**Permanent account number:** AABPG3945R

**Address**: Shriniketan 101, Sai-Baba Park, Plot 18 / 19, Evershine Nagar, Malad West, Mumbai, Maharashtra, India – 400 064.



**VIJAYKUMAR GUPTA**

Vijaykumar Gupta, aged 68 years, is the Promoter and Whole Time Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled *"Our Management"* beginning on Page No. 135 of this Prospectus.

**Date of birth:** June 13, 1954

**Permanent account number:** AABPG9198C

**Address**: 401, Plot No. 18/19, Shree Niketan Saibaba Park, Evershine Nagar, Malad West, Mumbai, Maharashtra, India - 400064.



**MADANLAL GUPTA**

Madanlal Gupta, aged 62 years, is the Promoter and Non-Executive Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled *"Our Management"* beginning on Page No. 135 of this Prospectus.

**Date of birth:** January 01, 1960

**Permanent account number:** AABPG9200H

**Address**: 302, 18/19, Shriniketan, Near Sai Baba Park, Evershine Nagar, Malad West, Mumbai, Maharashtra, India – 400 064.

**Other Ventures of our Promoters**

The ventures in which our Promoters are involved in are as follows:

a) **Krishankant Gupta**

| Name of the Venture | Nature of Interest |
|---|---|
| M/s Heera Textiles | Partner |
| M/s Krishankant Gupta HUF | Karta |

b) **Vijaykumar Gupta**

| Name of the Venture | Nature of Interest |
|---|---|
| M/s Heera Textiles | Partner |
| M/s Vijaykumar Gupta HUF | Karta |

c) **Madanlal Gupta**

| Name of the Venture | Nature of Interest |
|---|---|
| M/s Heera Textiles | Partner |
| M/s Hiralal Shivlal | Partner |
| M/s Madanlal Gupta HUF | Karta |

Our Company confirms that the permanent account number, bank account number, passport number, aadhar card number and driving license number of our Promoters shall be submitted to the Stock Exchanges at the time of filing the Draft Prospectus.

**Change in Control of our Company**

Our Promoters are the original promoters of our Company and the control of our Company has not been acquired during five years immediately preceding this Prospectus.

**Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled "*Our Management*" beginning on Page No. 135 of this Prospectus.

**Interest of our Promoter**

*Interest in promotion of our Company*

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoters in our Company, please refer to the chapter titled *"Capital Structure"*, *"Our Management"* and *"Restated Financial Information - Related Party Transactions"* beginning on Page Nos. 57, 135 and 154, respectively of this Prospectus.

*Interest of Promoters in our Company other than as a Promoter*

Our Promoters, Krishankant Gupta (Managing Director of the Company), Vijaykumar Gupta (Whole Time Director of the Company) and Madanlal Gupta (Non-Executive Director of the Company) are the directors of our Company therefore, may deemed to be considered interested to the extent of any remuneration which shall be payable to them in such capacity. Except as stated in this section and the section titled *"Our Management"* and *"Restated Financial Information - Related Party Transactions"* beginning on Page No. 135 and 154, respectively of this Prospectus, our Promoters do not have any interest in our Company other than as a Promoter.

*Interest in the properties of our Company*

Except as disclosed in the section titled "*Financial Information*" and the chapter titled "*Restated Financial Information - Related Party Transaction*" beginning on Page No. 154, our Promoters are not interested in the

properties acquired by our Company in the three years preceding the date of filing of this Prospectus with SEBI or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

**Other Interest and Disclosures**

Except as stated in this section and the chapters titled *"Our Management"* and *"Restated Financial Information - Related Party Transactions"* beginning on Page No. 135 and 154, respectively of this Prospectus, our Promoters do not have any interest in our Company other than as a Promoter.

Our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

**Payment or benefits to our Promoters and Promoter Group during the last two years**

Except as stated in this chapter and 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 Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of this Prospectus. For further details, please refer to the chapter titled "*Restated Financial Information - Related Party Transactions*" beginning on Page No. 154 of this Prospectus.

**Litigations involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled *"Outstanding Litigation and Material Development"* beginning on Page No. 170 of this Prospectus.

**Guarantees**

Our Promoters have not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Prospectus.

**Details of Companies / Firms from which our Promoters has disassociated in the last three years**

Except as mentioned below, our Promoters have not disassociated themselves from any company/firm during the three years preceding this Prospectus:

| Name of the Promoter | Name of Entity | Date of disassociation |
|---|---|---|
| Krishankant Gupta | Kanchanjunga Impex Private Limited | November 17, 2021 |
| Vijaykumar Gupta | Kanchanjunga Impex Private Limited | November 17, 2021 |
| Madanlal Gupta | Kanchanjunga Impex Private Limited | November 17, 2021 |

## A. OUR PROMOTER GROUP

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

***Individuals forming part of the Promoter Group:***

| Name of the Promoter | Name of the member of Promoter Group | Relationship with the Promoter |
|---|---|---|
| Krishankant Gupta | Late Tarachand Gupta | Father |
| | Shakuntaladevi Gupta | Mother |
| | Shashi Gupta | Spouse |
| | Surendra Gupta | Brother |
| | Mahesh Kant Gupta | Brother |
| | Chetan Gupta | Sister |
| | Uma Devi Mahawar | Sister |
| | Himanshu Gupta | Son |
| | Kushu Gupta | Daughter |
| | Late Parmanand Gupta | Spouse's father |
| | Late Imarti Devi | Spouse's mother |

| Name of the Promoter | Name of the member of Promoter Group | Relationship with the Promoter |
|---|---|---|
| | Radhey Shyam | Spouse's brother |
| | Suresh Kumar Gupta | Spouse's brother |
| Vijaykumar Gupta | Late Jawaharlal Gupta | Father |
| | Late Anardevi Gupta | Mother |
| | Mithleshdevi Gupta | Spouse |
| | Late Jaiprakash Gupta | Brother |
| | Shivlal Gupta | Brother |
| | Mahadevi Gupta | Sister |
| | Shakuntaladevi Gupta | Sister |
| | Lokesh Gupta | Son |
| | Sachin Kumar Gupta | Son |
| | Bhavna Gupta | Daughter |
| | Late Jagdishprasad Gupta | Spouse's father |
| | Late Asharfidevi Gupta | Spouse's mother |
| | Brij Mohan Gupta | Spouse's brother |
| | Devendra Kumar Gupta | Spouse's brother |
| Madanlal Gupta | Late Hiralal Gupta | Father |
| | Mahadevi Gupta | Mother |
| | Ashadevi Gupta | Spouse |
| | Radheshyam Gupta | Brother |
| | Satish Gupta | Brother |
| | Gita Devi Mahawar | Sister |
| | Kashyap Gupta | Son |
| | Megha Gupta | Daughter |
| | Late Bhagwandas Gupta | Spouse's father |
| | Late Shakuntala Devi | Spouse's mother |
| | Ajay Kumar Mahawar | Spouse's brother |

***Entities forming part of the Promoter Group:***

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

| Sr. No. | Name of the entity |
|---|---|
| 1. | M/s Krishankant Gupta HUF |
| 2. | M/s Vijaykumar Gupta HUF |
| 3. | M/s Madanlal Gupta HUF |
| 4. | M/s Surendrakumar Gupta HUF |
| 5. | M/s Shivlal Gupta HUF |
| 6. | M/s Radheshyam Gupta HUF |
| 7. | M/s Satishkumar Gupta HUF |
| 8. | M/s Heera Textiles (Partnership Firm) |
| 9. | M/s Hiralal Shivlal (Partnership Firm) |
| 10. | M/s Gupta R and Co. (Partnership Firm) |
| 11. | M/s Kirori Mal and Co. (Partnership Firm) |
| 12. | M/s Devendra Kumar Gupta |
| 13. | M/s Megha Gupta |
| 14. | Govind Viniyog Private Limited |
| 15. | Kanchanjunga Impex Private Limited |
| 16. | Bonsai Babycare Private Limited |
| 17. | Metal India Products Private Limited |
| 18. | Rajasthan Tin & Corrugation Private Limited |

**Other Confirmations**

None of our Promoters and members of the Promoter Group have been declared 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 are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

## OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of "group companies" in relation to the disclosure in Offer Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled "*Financial Information*" on Page No. 154 of this Prospectus.

Pursuant to a resolution of our Board dated February 21, 2022, for the purpose of disclosure in the Offer Documents for the Issue, a company shall be considered material and disclosed as a 'Group Company' if (i) such company(ies) in which, the investment in the form of equity or loan by the Company exceeds 10% of the net worth of the Company for the last audited financial year; (ii) where the Company has entered into one or more transactions with such company(ies) in the last audited financial year, cumulatively exceeding 10% of the total revenue of the Company for the last audited financial year and (iii) any other company/ entities that the Board may decide to consider material.

Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, no companies have been identified and considered as the Group Company of our Company.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, and cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. As on the date of this Prospectus, our Company does not have a formal dividend policy.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see section titled "*Risk Factors*" on Page No. 24 of this Prospectus.

## SECTION V – FINANCIAL INFORMATION

## RESTATED FINANCIAL INFORMATION


| S. No. | Details | Page Number |
|---|---|---|
| 1. | Restated Financial Information | F1 – F25 |
| 2. | Other Financial Information | F20 |
| 3. | Capitalization Statement | F21 |


*(The remainder of this page is intentionally left blank)*

**Examination Report on the Restated Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020, Statement of Profit and Loss and Cash Flows for each of the years ended on March 31, 2022, 2021 and 2020 of Veekayem Fashion and Apparels Ltd. (Collectively, the "Restated Financial Information")**

To,
**The Board of Directors,**
**Veekayem Fashion and Apparels Ltd.**
113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road,
Goregaon East, Mumbai - 400063

**Dear Sir,**

**1.** We have examined the attached Restated Financial Information of **Veekayem Fashion and Apparels Ltd.** (Formerly known as Veekayem Textile Mills Pvt. Ltd.) (the "Company") comprising the Restated Statement of Assets and Liabilities **(Annexure I)** as at March 31, 2022, 2021, and 2020, the Restated Statements of Profit and Loss **(Annexure II)**, the Restated Cash Flow Statement **(Annexure III)** for the year ended March 31, 2022, 2021, and 2020, the Summary Statement of Significant Accounting Policies **(Annexure IV)**, and other explanatory information (collectively, the **"Restated Financial Information"**), as approved by the Board of Directors of the Company for the purpose of inclusion in the Draft Prospectus prepared by the Company in connection with its proposed Initial Public Offer (IPO) of equity on SME Platform of BSE Limited ("BSE").

**2.** These Restated Summary Statements have been prepared in terms of the requirements of:

(i) Section 26 of Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;

(iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India **("ICAI")**, as amended from time to time **("Guidance Note").**

**3.** The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus to be filed with Securities and Exchange Board of India, SME Platform of BSE Limited ("BSE") in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in notes to the Restated Financial Information. Responsibility of the Board of Directors of the companies included designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

**4.** We have examined such Restated Financial Information taking into consideration:

(i) The terms of reference to our engagements with the Company letter dated January 10, 2022 requesting us to carry out the assignment, in connection with the Draft Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited ("BSE") "SME IPO"; and

(ii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time ("Guidance Note")

(iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

(iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

**5.** These Restated Financial Information of the Company have been complied by the management from

(i) The audit for the year ended on 31 March 2022 were conducted by us and the audit for the financial year ended on 31 March 2021 and 2020 was conducted by M/s Kedia & Agrawal, Chartered Accountants, Statutory Auditor. There are no audit qualifications in the audit reports issued by the statutory and tax auditors for the financial year ended on 31 March 2022, 31 March 2021 and 31 March 2020 which would require adjustments in the Restated Standalone Financial Statements of the Company. The financial report included for these years is based solely on the report submitted by them.

(ii) The audit for the financial year ended on 31 March 2021 and 2020 were conducted by the company's previous Auditor, and accordingly reliance has been placed on the financial statement examined by them.

(iii) We have Re-audited the Financial statements of the company in accordance with applicable standard as required under the SEBI ICDR regulations for the financial year ended on 31 March 2022 prepared in accordance with the Indian Accounting Standards (Indian GAAP) which have been approved by the Board of Directors.

**6.** Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Standalone Financial Statements:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended on 31 March 2022, 31 March 2021 and 31 March 2020.

b) do not require any adjustment for modification as there is no modification in the underlying audit reports;

c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments except as reported in CARO 2020 of audit report as on 31.03.2022:

"In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and however not complied with other relevant provisions of the Act and the, Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which are deemed to be deposits from M/s Heera Textile amounting to Rs. 485.56 Lakhs as on 31.03.2022. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard."

d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.

e) Adequate disclosure has been made in the financial statements as required to be made by the issuer as per schedule III of the Companies Act, 2013.

f) The accounting standards prescribed under the Companies act, 2013 have been followed.

g) The financial statements present a true and fair view of the company's accounts.

**7.** In accordance with the requirements of Part I of Chapter III of Act, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

(i) The **"Restated Statement of Assets and Liabilities"** as set out in **Annexure I** to this report, of the Company as at March 31, 2022, 2021, and 2020 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Financial Information as set out in **Annexure IV** to this Report.

(ii) The **"Restated Statement of Profit and Loss"** as set out in **Annexure II** to this report, of the Company for the years ended March 31, 2022, 2021, and 2020 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Financial Information as set out in **Annexure IV** to this Report.

(iii) The **"Restated Statement of Cash Flow"** as set out in **Annexure III** to this report, of the Company for the years ended March 31, 2022, 2021, and 2020 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Financial Information as set out in **Annexure IV** to this Report.

(iv) We have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

a. Details of Share Capital as Restated as appearing in ANNEXURE V to this report;

b. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;

c. Details of Long-Term Borrowings as Restated as appearing in ANNEXURE VII & VII A to this report;

d. Details of Deferred Tax Liabilities (Net) and Deferred Tax Assets as Restated as appearing in ANNEXURE VIII to this report;

e. Details of Long-Term Provision as Restated as appearing in ANNEXURE IX to this report;

f. Details of Other Long-term Liabilities as Restated as appearing in ANNEXURE X to this report;

g. Details of Short-term Borrowings as Restated as appearing in ANNEXURE XI to this report;

h. Details of Trade Payables as Restated as appearing in ANNEXURE XII to this report;

i. Details of Other Current Liabilities as Restated as appearing in ANNEXURE XIII to this report;

j. Details of Short-Term Provisions as Restated as appearing in ANNEXURE XIV to this report;

k. Details of Property, Plant & Equipment's as Restated as appearing in ANNEXURE XV to this report;

l. Details of Other Non-Current Investments as Restated as appearing in ANNEXURE XVI to this report;

m. Details of Other Non-Current Assets as Restated as appearing in ANNEXURE XVII to this report;

n. Details of Inventories as Restated as appearing in ANNEXURE XVIII to this report;

o. Details of Trade Receivables as Restated enclosed as ANNEXURE XIX to this report;

p. Details of Cash and Cash Equivalents as Restated enclosed as ANNEXURE XX to this report;

q. Details of Short-term Loan & Advances as Restated as appearing in ANNEXURE XXI to this report;

r. Details of Other Current Assets as Restated as appearing in ANNEXURE XXII to this report;

s. Details of Revenue from Operations as Restated in ANNEXURE XXIII to this report;

t. Details of Other Income as Restated as appearing in ANNEXURE XXIV to this report;

u. Details of Cost of Materials Consumed as Restated as appearing in ANNEXURE XXV to this report;

v. Details of Changes in Inventories as Restated as appearing in ANNEXURE XXVI to this report;

w. Details of Employee Benefit Expenses as Restated as appearing in ANNEXURE XXVII to this report;

x. Details of Finance Costs as Restated as appearing in ANNEXURE XXVIII to this report;

y. Details of Other Expenses as Restated as appearing in ANNEXURE XXIX to this report;

z. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXX to this report;

aa. Details of Significant Accounting Ratios as Restated as appearing in ANNEXURE XXXI to this report;

bb. Details of Other Income as restated as appearing in ANNEXURE XXXII to this report;

cc. Capitalization Statement as Restated as at 31st March, 2022 as appearing in ANNEXURE XXXIII to this report;

dd. Details of Related Parties Transactions as Restated as appearing in ANNEXURE XXXIV to this report;

**8.** We, M/s Mittal & Associates, have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.

**9.** The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

**10.** The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit reports issued by the statutory auditors nor should this report be construed as a new opinion on any of the financial statements referred to therein.

**11.** We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**12.** Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

*For* **MITTAL & ASSOCIATES**
*Chartered Accountants*
Firm Registration no: 106456W

SD/-

**Hemant Bohra**
Partner
Membership No.: 165667
UDIN: 22165667ANTDBB8359

Mumbai,
Date: July 27, 2022

**VEEKAYEM FASHION AND APPARELS LIMITED**

113, UDYOG BHAVAN, SHARMA IND. ESTATE,
WALGHAT ROAD, GOREGAON EAST, MUMBAI Mumbai
City MH 400063

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

ANNEXURE - I

(₹ In Lakhs)

| Particulars | Annexure No. | As at March 31, | | |
|---|---|---|---|---|
| | | 2022 | 2021 | 2020 |
| **I. EQUITY AND LIABILITIES** | | | | |
| **(1) Shareholder's Funds** | | | | |
| (a) Share Capital | V | 429.17 | 429.17 | 429.17 |
| (b) Reserves and Surplus | VI | 2,666.11 | 2,475.73 | 2,440.48 |
| **(2) Share Application Money Pending Allotment** | | | | |
| **(3) Non-Current Liabilities** | | | | |
| (a) Long-Term Borrowings | VII | 778.04 | 875.32 | 214.75 |
| (b) Deferred Tax Liability (Net) | VIII | 143.66 | 207.61 | 195.91 |
| (c) Long term provision | IX | 44.21 | 37.88 | 86.78 |
| (d) Other long-term Liabilities | X | 30.00 | 30.00 | - |
| **(4) Current Liabilities** | | | | |
| (a) Short Term Borrowing | XI | 7,381.88 | 7,187.63 | 6,996.45 |
| (b) Trade Payables | XII | 1,607.51 | 951.43 | 1,501.89 |
| (c) Other Current Liabilities | XIII | 159.56 | 105.36 | 176.46 |
| (d) Short-Term Provisions | XIV | 27.04 | 51.81 | 48.51 |
| ***Total*** | | **13,267.19** | **12,351.95** | **12,090.40** |
| **II.ASSETS** | | | | |
| **(1) Non-Current Assets** | | | | |
| (a) Property, Plant and Equipment and Intangible assets | | | | |
| - Property, Plant and Equipments | XV | 2,125.89 | 2,124.57 | 2,224.66 |
| (b) Non-Current Investment | XVI | 28.41 | 21.68 | 21.68 |
| (c) Deferred Tax Assets (net) | | - | - | - |
| (d) Long-term loans and advnaces | | - | - | - |
| (e) Other non-current assets | XVII | 4.16 | 4.16 | - |
| | | - | - | - |
| **(2) Current Assets** | | | | |
| (a) Inventories | XVIII | 6,596.16 | 5,726.94 | 5,279.25 |
| (b) Trade receivables | XIX | 3,682.04 | 3,310.32 | 3,829.96 |
| (c) Cash and Cash Equivalents | XX | 18.79 | 184.88 | 21.80 |
| (d) Short-Term Loans And Advances | XXI | 805.34 | 974.26 | 713.06 |
| (e) Other Current Assets | XXII | 6.38 | 5.14 | - |
| **Total** | | **13,267.19** | **12,351.95** | **12,090.40** |

**For Mittal & Associates**
Chartered Accountants
(Firm Registration No. 106456W)

SD/-
**Hemant Bohra**
Partner
Membership No. 165667

Place : Mumbai
Date: 27/07/2022

**For and on behalf of Board of Directors**
Veekayem Fashion and Apparels Limited

SD/-
**Krishankant Gupta**
Director
DIN:01741133

SD/-
**Madanlal Gupta**
Director
DIN:01782815

SD/-
**Hemant S Gupta**
Chief Financial Officer
PAN: AAFPG6294F

SD/-
**Gopika Singh**
Company Secretary

**VEEKAYEM FASHION AND APPARELS LIMITED**
113, UDYOG BHAVAN, SHARMA IND. ESTATE, WALGHAT ROAD, GOREGAON EAST, MUMBAI Mumbai City MH 400063

**STATEMENT OF PROFIT AND LOSS AS RESTATED**

ANNEXURE - II
(₹ In Lakhs)

| Sr. No. | Particulars | Annexure No. | For the year ended March 31, | | |
|---|---|---|---|---|---|
| | | | 2022 | 2021 | 2020 |
| A | ***Revenue:*** | | | | |
| | Revenue From Operations ( Net of Taxes ) | XXIII | 14,900.64 | 7,655.73 | 21,551.64 |
| | Other Income | XXIV | 46.38 | 14.33 | 19.83 |
| | ***Total Revenue*** | | **14,947.02** | **7,670.06** | **21,571.46** |
| | ***Expenses:*** | | | | |
| B | Cost of Material Consumed | XXV | 12,078.90 | 5,374.18 | 18,428.11 |
| | Changes in inventories of finished goods,work-in-progress and Stock-in-Trade | XXVI | -792.71 | -244.91 | -1,055.75 |
| | Employee benefit expenses | XXVII | 1,179.35 | 707.35 | 1,327.06 |
| | Financial Cost | XXVIII | 752.11 | 784.88 | 745.76 |
| | Depreciation and amortization expenses | XV | 127.57 | 129.68 | 139.03 |
| | Others Expenses | XXIX | 1,448.76 | 868.19 | 1,830.76 |
| | ***Total Expenses*** | | 14,793.99 | 7,619.36 | 21,414.97 |
| C | **Profit before exceptional ,extraordinary items and tax** | | **153.03** | **50.70** | **156.49** |
| | Less: Exceptional Items | | - | - | - |
| | **Profit before extraordinary items and tax (A-B)** | | **153.03** | **50.70** | **156.49** |
| | Prior Period Items | | - | - | - |
| | Extra ordinary items | | - | - | - |
| D | **Profit before tax** | | **153.03** | **50.70** | **156.49** |
| | *Tax expense :* | | | | |
| | Current tax | | 28.44 | 7.91 | 39.14 |
| | MAT credit entitlement | | - | -4.16 | - |
| | Tax Related to Earliyer year | | | | - |
| | Deferred Tax | | -63.95 | 11.70 | 8.25 |
| | Profit/(Loss) for the period After Tax- **PAT** | | **188.54** | **35.25** | **109.10** |

**For Mittal & Associates**
Chartered Accountants
(Firm Registration No. 106456W)

SD/-
**Hemant Bohra**
Partner
Membership No. 165667

Place : Mumbai
Date: 27/07/2022

**For and on behalf of Board of Directors**
Veekayem Fashion and Apparels Limited

SD/-
**Krishankant Gupta**
Director
DIN:01741133

SD/-
**Madanlal Gupta**
Director
DIN:01782815

SD/-
**Hemant S Gupta**
Chief Financial Officer
PAN: AAFPG6294F

SD/-
**Gopika Singh**
Company Secretary

**VEEKAYEM FASHION AND APPARELS LIMITED**

113, UDYOG BHAVAN, SHARMA IND. ESTATE, WALGHAT ROAD, GOREGAON EAST, MUMBAI Mumbai City MH 400063

**STATEMENT OF CASH FLOW AS RESTATED** **ANNEXURE -III**

**(₹ In Lakhs)**

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| **Cash Flow From Operating Activities:** | | | |
| Net Profit before tax as per Profit And Loss A/c | 153.03 | 50.70 | 156.49 |
| **Adjustments for:** | | | |
| Depreciation & Amortisation Expense | 127.57 | 129.68 | 139.03 |
| Interest Income | -8.44 | -7.79 | -2.70 |
| Finance Cost | 734.67 | 773.42 | 738.57 |
| Profit on Sale of Machinery | -3.93 | - | -17.13 |
| Provision for Gratuity | - | - | - |
| **Operating Profit Before Working Capital Changes** | **1,002.90** | **946.01** | **1,014.26** |
| Adjusted for (Increase)/ Decrease in: | | | |
| Short term provision | -24.77 | 3.31 | -14.09 |
| Trade Receivables | -371.73 | 519.64 | 469.40 |
| Inventories | -869.22 | -447.70 | -538.47 |
| Other current assets | -1.24 | -5.14 | - |
| Trade Payables | 656.08 | -550.45 | -541.40 |
| Other Current Liabilities | 54.20 | -71.10 | 127.06 |
| **Cash Generated From Operations** | **-556.69** | **-551.44** | **-497.50** |
| Appropriation of Profit | - | - | - |
| Net Income Tax paid/ refunded | 28.44 | 3.75 | 39.14 |
| **Net Cash Flow from/(used in) Operating Activities: (A)** | **417.77** | **390.81** | **477.61** |
| **Cash Flow From Investing Activities:** | | | |
| Net (Purchases)/Sales of Fixed Assets (including capital work in progress) | -124.96 | -29.58 | 21.42 |
| Interest Income | 8.44 | 7.79 | 2.70 |
| Net Increase/(Decrease) in Current Investment | -4.90 | - | -4.50 |
| **Net Cash Flow from/(used in) Investing Activities: (B)** | **-121.42** | **-21.79** | **19.62** |
| **Cash Flow from Financing Activities:** | | | |
| Net Increase/(Decrease) in Long Term Borrowings | -97.28 | 660.57 | 7.44 |
| Net Increase/(Decrease) in Long Term Provisions | 6.33 | -48.90 | 31.08 |
| Net Increase/(Decrease) in Other Long Term Liabilities | - | 30.00 | - |
| Net Increase/(Decrease) in Short Term Borrowing | 194.25 | 191.17 | 573.66 |
| Net (Increase)/Decrease in Short Term Advance | 168.92 | -261.20 | -362.71 |
| Net (Increase)/Decrease in Other non-current assets | - | -4.16 | - |
| Interest on borrowings | -734.67 | -773.42 | -738.57 |
| **Net Cash Flow from/(used in) Financing Activities ( C)** | **-462.44** | **-205.94** | **-489.09** |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | -166.09 | 163.08 | 8.14 |
| Cash & Cash Equivalents As At Beginning of the Year | 184.88 | 21.80 | 13.66 |
| Cash & Cash Equivalents As At End of the Year | **18.79** | **184.88** | **21.80** |

**For Mittal & Associates**
Chartered Accountants
(Firm Registration No. 106456W)

SD/-

**Hemant Bohra**
Partner
Membership No. 165667

Place : Mumbai
Date: 27-07-2022

**For and on behalf of Board of Directors**
Veekayem Fashion and Apparels Limited

SD/-
**Krishankant Gupta**
Director
DIN:01741133

SD/-
**Madanlal Gupta**
Director
DIN:01782815

SD/-
**Hemant S Gupta**
Chief Financial Officer
PAN: AAFPG6294F

SD/-
**Gopika Singh**
Company Secretary

**VEEKAYEM FASHION AND APPARELS LIMITED**

113, UDYOG BHAVAN, SHARMA IND. ESTATE, WALGHAT ROAD, GOREGAON EAST, MUMBAI Mumbai City MH 400063

**DETAILS OF SHARE CAPITAL AS RESTATED** **ANNEXURE - V**

**(₹ In Lakhs, Except no of share)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **EQUITY SHARE CAPITAL :** | | | |
| **AUTHORISED:** | | | |
| 50,00,000 Equity Shares of Rs.10 each | 500.00 | 500.00 | 500.00 |
| | 500.00 | 500.00 | 500.00 |
| **ISSUED, SUBSCRIBED AND PAID UP** | | | |
| 42,91,730 Equity share of Rs 10 each | 429.17 | 429.17 | 429.17 |
| | **429.17** | **429.17** | **429.17** |
| **(i) Reconciliation of number of shares outstanding at the end of the year:** | | | |
| Equity Shares at the beginning of the year Class | 4,291,730 | 4,291,730 | 4,291,730 |
| Add: Shares issued during the year | - | - | - |
| **TOTAL** | **4,291,730** | **4,291,730** | **4,291,730** |

**(ii) Details of Shareholders holding more than 5% of the aggregate shares of the company:**

| Particulars | As at March 31,2022 | | As at March 31,2021 | | As at 31 March 2020 | |
|---|---|---|---|---|---|---|
| | No. of shares | % of Holding | No. of shares | % of Holding | No. of shares | % of Holding |
| Mr. Madanlal Gupta | 459,406 | 10.70% | 459,406 | 10.70% | 459,406 | 10.70% |
| Mr. Maheshkant Gupta | 445,307 | 10.38% | 445,307 | 10.38% | 445,307 | 10.38% |
| Mr. Amit J. Gupta | 412,005 | 9.60% | 412,005 | 9.60% | 412,005 | 9.60% |
| Mr. Hemant S. Gupta | 406,856 | 9.48% | 406,856 | 9.48% | 406,856 | 9.48% |
| Mr. Krishankant Gupta | 405,307 | 9.44% | 405,307 | 9.44% | 405,307 | 9.44% |
| Mr. Surendrat. Gupta | 405,307 | 9.44% | 405,307 | 9.44% | 405,307 | 9.44% |
| Mr. Vijaykumar Gupta | 397,318 | 9.26% | 397,318 | 9.26% | 397,318 | 9.26% |
| Mr Arun Gupta | 367,116 | 8.55% | 367,116 | 8.55% | 367,116 | 8.55% |
| Mr. Kaushik Gupta | 361,644 | 8.43% | 361,644 | 8.43% | 361,644 | 8.43% |
| **Total** | **3,660,266** | **85.29%** | **3,660,266** | **85.29%** | **3,660,266** | **85.29%** |

**(iii) Shareholding of Promoters**

| Name of Promoter | As at March 31,2022 | | As at March 31,2021 | | As at 31 March 2020 | |
|---|---|---|---|---|---|---|
| | No. of share | % of Holding | No. of share | % of Holding | No. of share | % of Holding |
| MR. VIJAYKUMAR GUPTA | 397,318 | 9.26% | 397,318 | 9.26% | 397,318 | 9.26% |
| MR. KRISHANKANT GUPTA | 405,307 | 9.44% | 405,307 | 9.44% | 405,307 | 9.44% |
| MR. MADANLAL GUPTA | 459,406 | 10.70% | 459,406 | 10.70% | 459,406 | 10.70% |
| **Total** | **1,262,031** | **29.41%** | **1,262,031** | **29.41%** | **1,262,031** | **29.41%** |

**DETAILS OF RESERVE & SURPLUS AS RESTATED** **ANNEXURE - VI**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **Securities Premium :-** | | | |
| Balance at the beginning of the year | 1,135.88 | 1,135.88 | 1,135.88 |
| Addition / (Deletion) during the year | - | - | - |
| **Balance at the end of the year** | 1,135.88 | 1,135.88 | 1,135.88 |
| **Retained Earnings :-** | | | |
| ***Opening Balance*** | 1,339.85 | 1,304.60 | 1,195.50 |
| Add - Current Year profit | 188.54 | 35.25 | 109.10 |
| Add - Change in Investments | 1.84 | - | - |
| ***Closing Balance*** | **1,530.23** | **1,339.85** | **1,304.60** |
| **TOTAL** | **2,666.11** | **2,475.73** | **2,440.48** |

**DETAILS OF LONG TERM BORROWING AS RESTATED** **ANNEXURE - VII**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **Secured** | | | |
| Term Loan From Bank (Secured) | 778.04 | 875.32 | 214.75 |
| **GRAND TOTAL** | **778.04** | **875.32** | **214.75** |

**DETAILS OF DEFERRED TAX LIABILITIES AS RESTATED** **ANNEXURE - VIII**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **Deferred Tax Liabilites** | | | |
| Deferred Tax Liability on Property, Plant & Equipments | 161.60 | 228.37 | 220.74 |
| Deferred Tax Asset on Provision for Gratuity | -17.93 | -20.76 | -24.83 |
| **TOTAL** | **143.66** | **207.61** | **195.91** |

**DETAILS OF LONG TERM PROVISIONS AS RESTATED** **ANNEXURE - IX**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **Provision for Employee Benefits** | | | |
| Provision for Gratuity | 44.21 | 37.88 | 86.78 |
| **TOTAL** | **44.21** | **37.88** | **86.78** |

**DETAILS OF OTHER LONG-TERM LIABILITIES AS RESTATED** **ANNEXURE - X**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **Unsecured, Considered Good** | | | |
| Security Deposit | 30.00 | 30.00 | - |
| **TOTAL** | **30.00** | **30.00** | **-** |

**DETAILS OF SHORT TERM BORROWING AS RESTATED** **ANNEXURE - XI**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| (a) Loans repayable on demand | | | |
| (i) From Banks (Secured) | 6,186.13 | 6,151.71 | 5,628.23 |
| (ii) From Others | | | |
| -Loans and advances from Others (Un-secured) | 490.21 | 387.29 | - |
| -Loans and advances from related parties (Un-secured) | 485.56 | 518.63 | 970.56 |
| (b) Current Maturities of long term borrowings | 219.99 | 130.00 | 397.67 |
| **Total** | **7,381.88** | **7,187.63** | **6,996.45** |

**DETAILS OF TRADE PAYABLES AS RESTATED** **ANNEXURE - XII**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| For Micro, small & medium enterprises | - | - | - |
| For Other | 1,607.51 | 951.43 | 1,501.89 |
| **TOTAL** | **1,607.51** | **951.43** | **1,501.89** |

**ANNEXURE - XIII**

**DETAILS OF OTHER CURRENT LIABILITES AS RESTATED** **(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| Interest Accrued but not due | - | 4.91 | 48.47 |
| Due to Employees | 119.88 | 70.38 | 105.44 |
| Statutory Dues | 15.80 | 19.92 | 10.30 |
| Other Current Liabilities | - | - | 5.41 |
| Advance Received from Customers | 23.88 | 10.15 | 6.84 |
| | **159.56** | **105.36** | **176.46** |

**DETAILS OF SHORT TERM PROVISION AS RESTATED** **ANNEXURE - XIV**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| Provision for Gratuity | 27.04 | 36.73 | 1.96 |
| Provision for Income Tax (net off advance tax & TDS) | - | 15.09 | 46.55 |
| **Closing Balance** | **27.04** | **51.81** | **48.51** |

**DETAILS OF NON-CURRENT INVESTMENT AS RESTATED** **ANNEXURE - XVI**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **Investments in Mutual Funds:** | | | |
| 4827.654 Units of SBI Magnum Equity ESG Fund Direct Grow | 3.02 | 4.20 | 4.20 |
| 6.408 Units of SBI Magnum Ultra SDF Reg WIDCW | 0.07 | - | - |
| 4897.875 Units of SBI Large & Midcap Fund Reg IDCW | 2.95 | - | - |
| **Investment in unquoted Equity** | | | |
| 101 Equity Shares of Bombay Mercantile Coop Bank Ltd | - | 0.10 | 0.10 |
| 60000 Equity Shares of Bonsai Babycare Products Pvt. Ltd (10Each) | - | 6.00 | 6.00 |
| 22,375 Equity Shares of The Cosmos Co-op. Bank Ltd | 22.38 | 11.38 | 11.38 |
| **TOTAL** | **28.41** | **21.68** | **21.68** |
| Aggregate carrying amount of quoted investments | 6.04 | 4.20 | 4.20 |
| Aggregate market value of quoted investments | 16.69 | 13.03 | 7.80 |
| Aggregate amount of unquoted investments | 22.38 | 17.48 | 17.48 |

**DETAILS OF NON-CURRENT ASSETS AS RESTATED** **ANNEXURE - XVII**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| Mat Credit Entitlement | 4.16 | 4.16 | - |
| **TOTAL** | **4.16** | **4.16** | **-** |

**DETAILS OF INVENTORIES AS RESTATED** **ANNEXURE - XVIII**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **Inventories** | | | |
| Raw Materials | 2,621.38 | 2,544.86 | 2,342.08 |
| Finsished Goods | 3,974.79 | 3,182.08 | 2,937.16 |
| **TOTAL** | **6,596.16** | **5,726.94** | **5,279.25** |

**DETAILS OF TRADE RECEIVABLES AS RESTATED** **ANNEXURE - XIX**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| **Outstanding for a period more than 6 months** | | | |
| Unsecured, considered good | 117.34 | 89.35 | 39.92 |
| **Outstanding for a period less than 6 months** | | | |
| Others - unsecured, considered good | 3,564.70 | 3,220.97 | 3,790.04 |
| **TOTAL** | **3,682.04** | **3,310.32** | **3,829.96** |

**DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED** **ANNEXURE - XX**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| Cash In Hand | 7.10 | 8.24 | 7.51 |
| Balances with Banks in current accounts | 2.69 | 1.97 | 5.29 |
| Balances with banks as fixed deposits | 9.00 | 174.67 | 9.00 |
| **Total** | **18.79** | **184.88** | **21.80** |

**DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED** **ANNEXURE - XXI**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| Security Deposit | 49.66 | 58.99 | 58.10 |
| Advance to Others | 12.68 | 23.79 | 2.95 |
| Advance to Suppliers | 604.97 | 751.92 | 393.03 |
| Prepaid Expenses | 3.54 | 3.67 | 2.91 |
| Balances with Government Authorities | 117.39 | 129.23 | 238.30 |
| Advance to Employees | 5.94 | 6.66 | 5.49 |
| Loans to others | - | - | 12.27 |
| Recoverable from Directors against sale of shares | 11.16 | - | - |
| **TOTAL** | **805.34** | **974.26** | **713.06** |

**DETAILS OF OTHER CURRENT ASSETS AS RESTATED** **ANNEXURE - XXII**

**(₹ In Lakhs)**

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2,022 | 2,021 | 2,020 |
| Advance Income Tax & TDS (net off provision for tax) | 6.03 | - | - |
| Interest accrued and due from Bank | 0.35 | 5.14 | - |
| **TOTAL** | **6.38** | **5.14** | **-** |

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED** **ANNEXURE - XXIII**

**(₹ In Lakhs)**

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | **2,022** | **2021** | **2020** |
| Sales | 14,881.86 | 7,635.74 | 21,546.78 |
| Export Incentive | 18.78 | 20.00 | 4.85 |
| **Total** | **14,863.07** | **7,615.74** | **21,541.93** |

DETAILS OF OTHER INCOME AS RESTATED **ANNEXURE - XXIV**

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | **2,022** | **2021** | **2020** |
| Rent Received | 28.84 | 5.70 | - |
| Interest Income | 8.44 | 7.79 | 2.70 |
| Other Income | - | 0.84 | - |
| Profit on sale of Shares | 5.16 | - | - |
| Profit on sale of Fixed Assets | 3.93 | - | 17.13 |
| **Total** | **46.38** | **14.33** | **19.83** |

**DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED** **ANNEXURE - XXV**

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | **2,022** | **2021** | **2020** |
| Opening stock | 2,544.86 | 2,342.08 | 2,859.36 |
| Add: Pruchase of Raw & Packing Material | 12,155.41 | 5,576.96 | 17,910.83 |
| | **14,700.28** | **7,919.04** | **20,770.19** |
| Add: Consumables | - | - | - |
| Less closing stock (Raw material) | 2,621.38 | 2,544.86 | 2,342.08 |
| **Cost of Raw Material Consumed** | **12,078.90** | **5,374.18** | **18,428.11** |
| **Total** | **12,078.90** | **5,374.18** | **18,428.11** |

**DETAILS OF CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS AS RESTATED** **ANNEXURE - XXVI**

| Particulars | | For the year ended March 31, | | |
|---|---|---|---|---|
| | | **2,022** | **2021** | **2020** |
| Opening Stock :WIP | | - | - | - |
| Opening Stock : Finished Goods | | 3,182.08 | 2,937.16 | 1,881.42 |
| | Sub Total | **3,182.08** | **2,937.16** | **1,881.42** |
| Less: Closing Stock: WIP | | - | - | - |
| Less: Closing Stock: Finished Goods | | 3,974.79 | 3,182.08 | 2,937.16 |
| | Sub Total | **3,974.79** | **3,182.08** | **2,937.16** |
| | | **-792.71** | **-244.91** | **-1,055.75** |

**DETAILS OF EMPLOYEE BENEFITS EXPENSE AS RESTATED** **ANNEXURE - XXVII**

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | 2,022 | 2021 | 2020 |
| Salaries, Wages & Bonus | 1,140.82 | 693.68 | 1,239.18 |
| Contribution to PF & Other Funds | 19.89 | 11.08 | 28.21 |
| Gratuity Expense | 1.24 | -7.60 | 37.58 |
| Staff Welfare Expenses | 17.41 | 10.18 | 22.09 |
| **Total** | **1,179.35** | **707.35** | **1,327.06** |

**DETAILS OF FINANCE COST AS RESTATED** **ANNEXURE - XVIII**

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | 2,022 | 2021 | 2020 |
| Interest Expense | 734.67 | 773.42 | 738.57 |
| Bank Charges including processing fees | 17.44 | 11.46 | 7.19 |
| **Total** | **752.11** | **784.88** | **745.76** |

| | | | |
|---|---|---|---|
| **Depreciation & Amortization** | | | |
| Depriciation as per Note | 127.57 | 129.68 | 139.03 |
| **Total** | **127.57** | **129.68** | **139.03** |

**DETAILS OF OTHER EXPENSES AS RESTATED** **ANNEXURE - XXIX**

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | 2,022 | 2021 | 2020 |
| Advertisement | - | - | 0.67 |
| Audit Fees | 3.00 | 2.00 | 3.00 |
| Commission and Brokerage | 27.60 | 6.78 | 13.63 |
| Donation | 1.79 | 2.31 | 2.50 |
| Vehicle Expenses | 5.84 | 3.71 | 3.46 |
| Insurance Expenses | 32.98 | 17.92 | 15.56 |
| Miscellaneous Expenses | 0.45 | 1.67 | 0.78 |
| Sampling Charges | 11.07 | - | - |
| Testing Charges | 1.45 | - | - |
| General Expenses | 4.19 | 2.67 | 2.98 |
| Coolies & Cartages | - | 2.52 | 0.98 |
| Security Charges | 12.26 | 12.67 | 17.61 |
| Job charges | 969.89 | 636.80 | 1,391.87 |
| Freight & Cartage | 7.52 | 4.25 | 4.99 |
| Power & Fuel | 181.83 | 107.24 | 197.93 |
| Repair & Maintenance | 35.47 | 1.31 | 2.66 |
| Telephone Expenses | 1.76 | 0.90 | 3.11 |
| Transportation charges | 74.47 | 41.85 | 94.78 |
| Water Charges | 1.82 | 1.49 | 2.29 |
| Postage & Courier Charges | 2.16 | 2.18 | 2.93 |
| Professional & Legal Expenses | 34.16 | 12.05 | 25.64 |
| Rent, Rates & Taxes | 16.91 | 3.65 | 22.10 |
| Printing & Stationary | 10.39 | 2.40 | 3.60 |
| Travelling & Conveyance | 11.77 | 1.82 | 17.68 |
| **Total** | **1,448.76** | **868.19** | **1,830.76** |

**DETAILS OF PROPERTY, PLANT & EQUIPMENTS AS RESTATED**

**ANNEXURE XV**

**Rs . In Lakhs**

**2019-20**

| Sr No. | Particulars | Gross Block | | | | | Accumulated Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As At 01-04-2019 | Addition | Addition related to acquisition | Deduction during the year | As At 31-03-2020 | Upto 01-04-2019 | For the Year | Adjustment during the year | Upto 31-03-2020 | As At 31-03-2020 | As At 31-03-2019 |
| | **Property, Plant & Equipments** | | | | | | | | | | | |
| 1 | Leasehold Land | 194.09 | - | - | - | 194.09 | - | - | - | - | 194.09 | 194.09 |
| 2 | Buildings | 1,513.42 | 6.93 | - | - | 1,520.35 | 293.48 | 22.17 | - | 315.65 | 1,204.70 | 1,219.94 |
| 3 | Owned plant and machinery | 2,774.72 | 19.87 | - | 195.10 | 2,599.48 | 1,928.41 | 96.27 | 159.73 | 1,864.94 | 734.54 | 846.31 |
| 4 | Furniture Fixtures | 71.70 | 0.08 | - | - | 71.78 | 38.85 | 3.89 | - | 42.74 | 29.04 | 32.86 |
| 5 | Office Equipments | 105.91 | - | - | - | 105.91 | 82.78 | 5.66 | - | 88.44 | 17.48 | 23.13 |
| 6 | Vehicles | 186.32 | 3.01 | - | - | 189.33 | 136.60 | 10.41 | - | 147.01 | 42.32 | 49.71 |
| 7 | Mobile Phone | 4.84 | 1.19 | - | - | 6.03 | 2.91 | 0.63 | - | 3.54 | 2.49 | 1.93 |
| | | | | - | | | | | | | | |
| | **TOTAL** | **4,851.00** | **31.08** | **-** | **195.10** | **4,686.98** | **2,483.02** | **139.03** | **159.73** | **2,462.32** | **2,224.66** | **2,367.98** |

**2020-21**

**PROPERTY, PLANT AND EQUIPMENTS**

| Sr No. | Particulars | Gross Block | | | | | Accumulated Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As At 01-04-2020 | Addition | Addition related to acquisition | Deduction during the year | As At 31-03-2021 | Upto 31-03-2020 | For the Year | Adjustment during the year | Upto 31-03-21 | As At 31-03-2021 | As At 31-03-2020 |
| | **Property, Plant & Equipments** | | | | | | | | | | | |
| 1 | Leasehold Land | 194.09 | - | | | 194.09 | - | - | | - | 194.09 | 194.09 |
| 2 | Buildings | 1,520.35 | 13.23 | | | 1,533.58 | 315.65 | 22.25 | | 337.90 | 1,195.68 | 1,204.70 |
| 3 | Owned plant and machinery | 2,599.48 | 15.21 | | | 2,614.69 | 1,864.94 | 89.00 | | 1,953.94 | 660.75 | 734.54 |
| 4 | Furniture Fixtures | 71.78 | - | | | 71.78 | 42.74 | 3.86 | | 46.60 | 25.18 | 29.04 |
| 5 | Office Equipments | 105.91 | - | | | 105.91 | 88.44 | 4.22 | | 92.66 | 13.26 | 17.48 |
| 6 | Vehicles | 189.33 | 0.93 | | | 190.26 | 147.01 | 9.71 | | 156.72 | 33.54 | 42.32 |
| 7 | Mobile Phone | 6.03 | 0.22 | | | 6.25 | 3.54 | 0.64 | | 4.17 | 2.07 | 2.49 |
| | **TOTAL** | **4,686.98** | **29.58** | | **-** | **4,716.56** | **2,462.32** | **129.68** | **-** | **2,591.99** | **2,124.57** | **2,224.66** |

- -

**2021-22**

**PROPERTY, PLANT AND EQUIPMENTS**

| Sr No. | Particulars | Gross Block | | | | | Accumulated Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As At 31-03-2021 | Addition | Addition related to acquisition | Deduction during the year | As At 31-03-2022 | Upto 31-03-2021 | For the Year | Adjustment during the year | Upto 31-03-2022 | As At 31-03-2022 | As At 31-03-2021 |
| | **Property, Plant & Equipments** | | | | | | | | | | | |
| 1 | Leasehold Land | 194.09 | - | - | - | 194.09 | - | - | - | - | 194.09 | 194.09 |
| 2 | Buildings | 1,533.58 | 12.19 | - | - | 1,545.77 | 337.90 | 22.51 | - | 360.40 | 1,185.36 | 1,195.68 |
| 3 | Owned plant and machinery | 2,614.69 | 39.83 | - | 12.96 | 2,641.56 | 1,953.94 | 86.75 | - | 2,040.69 | 600.87 | 660.75 |
| 4 | Furniture Fixtures | 71.78 | 0.32 | - | - | 72.10 | 46.60 | 3.67 | - | 50.27 | 21.83 | 25.18 |
| 5 | Office Equipments | 105.91 | 39.39 | - | 2.20 | 143.10 | 92.66 | 4.97 | - | 97.62 | 45.48 | 13.26 |
| 6 | Vehicles | 190.26 | 52.02 | - | - | 242.29 | 156.72 | 9.03 | - | 165.76 | 76.53 | 33.54 |
| 7 | Mobile Phone | 6.25 | 0.31 | - | - | 6.55 | 4.17 | 0.65 | - | 4.82 | 1.73 | 2.07 |
| | **TOTAL** | **4,716.56** | **144.06** | **-** | **15.16** | **4,845.46** | **2,591.99** | **127.57** | **-** | **2,719.57** | **2,125.89** | **2,124.57** |

**RECONCILIATION OF RESTATED PROFIT:**

Annexure-IV A
(Rs In Lakhs)

| Adjustments for | For the year ended March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| | | | |
| Net Profit/(Loss) after Tax as per Audited Profit & Loss Account | 188.54 | 31.44 | 123.56 |
| | | | |
| **Adjustments for:** | | | |
| Short/excess Provision Of tax | - | 4.31 | -8.86 |
| Provision for Gratuity | - | -0.50 | -5.59 |
| **Net Profit/ (Loss) After Tax as Restated** | **188.54** | **35.25** | **109.10** |

**RECONCILIATION OF EQUITY AND RESERVES:**

| Adjustments for | For the year ended March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| | | | |
| Equity and Reserve as per Audited Balance sheet | 3,098.14 | 2,907.76 | 2,876.33 |
| | | | |
| **Adjustments for:** | | | |
| Diffrence Due to Change in P&L | - | 3.81 | -14.46 |
| Prior period Adjustments | -2.86 | -6.68 | 7.78 |
| | | | |
| **Equity and Reserve as per Re-stated Balance sheet** | **3,095.28** | **2,904.90** | **2,869.65** |

**STATEMENT OF TAX SHELTERS** **ANNEXURE -XXX**

(₹ In Lakhs)

| Particulares | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| Restated Profit before tax (A) | 153.030 | 50.699 | 156.493 |
| Tax Rate (%) | 25.17% | 26.00% | 27.82% |
| MAT Rate | 15.60% | 15.60% | 16.69% |
| **Adjustments :** | | | |
| Donation | -1.785 | -2.310 | -2.500 |
| Profit on sale of Fixed Assets | 3.932 | - | 17.125 |
| Disallowed u/s 36 to 40 | - | -0.301 | -8.072 |
| **Total Permanent Differences(B)** | 2.147 | -2.611 | *6.553* |
| **Timing Differences (C)** | | | |
| Disallowance U/s 40 A (7) | 1.238 | - | 31.985 |
| Amt Disallowed during PY and allowed during CY | - | -8.097 | - |
| Difference between tax depreciation and book depreciation | -29.883 | -27.421 | -38.927 |
| **Total Timing Differences (C)** | -28.645 | -35.518 | -6.942 |
| **Income consider in House property Head (D)** | -27.840 | -5.700 | - |
| **Net Adjustments E = (B+C+D)** | -58.632 | -38.129 | -13.495 |
| | **-** | **-** | **-** |
| **Income From House Property** | | | |
| Rent | 27.840 | 5.700 | **-** |
| Deduction u/s 24(a) | -8.352 | -1.710 | **-** |
| **Net** | **19.488** | **3.990** | **-** |
| **Gross Total Income** | **113.886** | **16.082** | **142.999** |
| Less: Deduction u/s 80 G | 0.893 | 1.658 | 2.300 |
| | **-** | **-** | **-** |
| Taxable Income/(Loss) (A+D) | 112.994 | 14.424 | 140.699 |
| **Restated Profit for The Purpose of MAT** | **153.030** | **50.699** | **156.493** |
| **Less: Adjustment related to Depreciation** | - | - | - |
| **Add: Amounts Written Back** | - | - | - |
| **Taxable Income/(Loss) as per MAT** | 153.030 | 50.699 | 156.493 |
| **Income Tax as returned/computed** | 28.438 | 3.750 | 39.142 |
| **Tax paid as per normal or MAT** | Income Tax | MAT | Income Tax |

Income Tax
MAT

Income Tax
MAT

**DETAILS OF ACCOUNTING RATIOS AS RESTATED** **ANNEXURE -XXXI**

(₹ In Lakhs, except per share data)

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Restated PAT as per P& L Account | 188.54 | 35.25 | 109.10 |
| EBITDA | 1,032.71 | 965.26 | 1,041.28 |
| | | | |
| Weighted Average Number of Equity Shares at the end of the Year/Period* | 4,291,730 | 4,291,730 | 4,291,730 |
| Weighted Average Number of Equity Shares at the end of the Year/Period (for Diluted EPS) | 4,291,730 | 4,291,730 | 4,291,730 |
| Number of Equity Shares outstanding at the end of the Year/Period | 4,291,730 | 4,291,730 | 4,291,730 |
| | | | |
| Net Worth | 3,095.28 | 2,904.90 | 2,869.65 |
| | | | |
| **Earnings Per Share** | | | |
| Basic | 4.39 | 0.82 | 2.54 |
| Diluted | 4.39 | 0.82 | 2.54 |
| **Return on Net Worth (%)** | **6.09%** | **1.21%** | **3.80%** |
| **Net Asset Value Per Share (Rs)**** | **72.12** | **67.69** | **66.86** |
| Nominal Value per Equity share (Rs.) | 100.00 | 100.00 | 100.00 |

1. Ratios have been calculated as below

Basic and Diluted Earnings Per Share (EPS) (Rs.) = Restated Profit after Tax available to equity Shareholders / Weighted Average Number of Equity Shares at the end of the year / period

Return on Net Worth (%) = Restated Profit after Tax available to equity Shareholders / Restated Net Worth of Equity Shareholders

Net Asset Value per equity share (Rs.) = Restated Net Worth of Equity Shareholders / Number of Equity Shares outstanding at the end of the year / period

2. EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses

**DETAILS OF OTHER INCOME AS RESTATED** **ANNEXURE -XXXII**

(₹ In Lakhs)

| Particulars | For the Year Ended March 31 | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Other income | 46.38 | 14.33 | 19.83 |
| | | | |
| Net Profit Before Tax as Restated | 153.03 | 50.70 | 156.49 |
| | | | |
| **Percentage** | **30.31%** | **28.26%** | **12.67%** |

**Source of Income**

| | | | | |
|---|---|---|---|---|
| Rent Income | 28.84 | 5.70 | - | Recurring and not related to business activity. |
| Interest Income | 8.44 | 7.79 | 2.70 | Recurring and related to business activity. |
| Other Income | - | 0.84 | - | Recurring and related to business activity. |
| Profit on sale of Fixed Assets | 3.93 | - | 17.13 | Not Recurring and not related to business activity. |
| Profit on sale of Shares | 5.16 | | | Not Recurring and not related to business activity. |
| **Total Other Income** | **46.38** | **14.33** | **19.83** | |

**Capitalisation Statement as at 31st March, 2022** **ANNEXURE -XXXIII**

(₹ In Lakhs)

| Particulars | Pre Issue | Post Issue |
|---|---|---|
| **Borrowings** | | |
| Short term debt (A) | 7,381.88 | 7,381.88 |
| Long Term Debt (B) | 778.04 | 778.04 |
| **Total debts (C)** | **8,159.92** | **8,159.92** |
| **Shareholders' funds** | | |
| Equity share capital | 429.17 | 587.57 |
| Reserve and surplus - as restated | 2,666.11 | 2,951.23 |
| **Total shareholders' funds** | **3,095.28** | **3,538.80** |
| **Long term debt / shareholders funds** | 0.25 | 0.21 |
| **Total debt / shareholders funds** | 2.64 | 2.30 |

* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

1 Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.

2 Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.

**Related party disclosures** **ANNEXURE -XXXIV**

**(i) Names of the related party and nature of relationship where control/significant influence exists**

**Key management personnel (KMP) and their close members of family**

| **Name of the related party** | **Nature of** |
|---|---|
| **Key Management Personnel** | |
| Ajay Kumar Gupta | Director |
| Amit Kumar Gupta | Director |
| Arun Kumar Gupta | Director |
| Hemant Kumar Gupta | Director |
| Jaiprakash Gupta | Director |
| Kaushik Gupta | Director |
| Krishnakant Gupta | Director |
| Madanlal Gupta | Director |
| Maheshkant Gupta | Director |
| Radheshyam Gupta | Director |
| Surendra Kumar Gupta | Director |
| Vijay Kumar Gupta | Director |
| | |
| **Relatives of KMP** | |
| Abhay Mukesh Gupta | Relative |
| Ajay Yogeshchand Gupta | Relative |
| Aniket Sitaram Gupta | Relative |
| Anshul Pacheriwala | Relative |
| Ashadevi Gupta | Relative |
| Bimladevi S. Gupta | Relative |
| Chetan Gupta | Relative |
| Chetan Hardwarilal Gupta | Relative |
| Chetan Sachetee | Relative |
| D. K. Yarns Pvt. Ltd. | Relative |
| Dhananjay Surendra Gupta | Relative |
| Hardwarilal Gupta | Relative |
| Harshawardhan Maheshkant Gupta | Relative |
| Heera Textile | Relative |
| Hemanshu Gupta | Relative |
| Jaiprakash J. Gupta | Relative |
| Kailashchand Gupta | Relative |
| Kalpesh Jagdish Gupta | Relative |
| Kanchan Kashyap Gupta | Relative |
| Kashyap Gupta | Relative |
| M. Vasant Kumar | Relative |
| Mayadevi S. Gupta | Relative |
| Mithleshdevi Gupta | Relative |
| Mukesh Gupta | Relative |
| Narendra Gupta | Relative |
| Neelam Amit Gupta | Relative |
| Neelam Kaushik Gupta | Relative |
| Omprakash Gupta | Relative |
| Pramod Agencies | Relative |
| Premadevi Gupta | Relative |
| Pushpadevi Sitaram Gupta | Relative |
| Radheshyam Gupta | Relative |
| Ratneshdevi Gupta | Relative |
| Rekha Devi Gupta | Relative |
| Rishabh Hardwarilal Gupta | Relative |
| Rita Ashish Gupta | Relative |
| Rmk Enterprises | Relative |
| Sachin Gupta | Relative |
| Sapnadevi Gupta | Relative |
| Saritadevi Gupta | Relative |
| Sarojdevi Gupta | Relative |
| Savita Arun Gupta | Relative |
| Seema Gupta | Relative |
| Shah Mahendrakumar Achalchand | Relative |
| Shakuntadevi Gupta | Relative |
| Shashidevi Gupta | Relative |
| Shyamsundar Gupta | Relative |
| Sitaram Gupta | Relative |
| Sonika Gupta | Relative |
| | |

| Relatives of KMP | |
|---|---|
| Sumitra O. Gupta | Relative |
| Sunitadevi Gupta | Relative |
| Sweta Sachin Gupta | Relative |
| Tarachand Gupta Huf | Relative |
| Tej Singh Sachetee | Relative |
| Vandana Ajay Gupta | Relative |
| Vandana Hardwarilal Gupta | Relative |
| Vijay Yogeshchand Gupta | Relative |
| Yogeshchand Ramjilal Gupta | Relative |
| Asha Devi Gupta | Relative |
| Harshvardhan Maheshkant Gupta | Relative |
| Hemanshu Gupta | Relative |
| Kalpesh Kumar Gupta | Relative |
| Kashyap Gupta | Relative |
| Mayadevi S Gupta | Relative |
| Mukesh Kumar Gupta | Relative |
| Narendra Kumar Gupta | Relative |
| Sachin Kumar Gupta | Relative |
| Arushi & Co. | Relative |
| Pushpadevi Gupta | Relative |
| Sunderlal Poddar | Relative |
| Superwear Shirting | Relative |
| Amit Kumar Gupta Huf | Relative |
| Arun Gupta | Relative |
| Bhawna Gupta | Relative |
| Bimladevi R. Gupta | Relative |
| Chetan Sachetee (Huf) | Relative |
| Hemant Gupta | Relative |
| Jaiprakash Gupta - Huf | Relative |
| Arushi & Co | Relative |
| Kailashchand Gupta - Huf | Relative |
| Mahadevi Hiralal Gupta | Relative |
| Mukesh Gupta - Huf | Relative |
| Pushpadevi Gupta | Relative |
| Satish Gupta | Relative |
| Shree Krishna Silk Mills | Relative |
| Kamdhenu Enterprises | Relative |
| Sunderlal Poddar | Relative |
| Surendra Gupta | Relative |
| Surendra Gupta Huf | Relative |
| Vijay Gupta | Relative |
| Vijay Gupta - Huf | Relative |

**(ii) Entity controlled or jointly controlled by a person identified in (i) above**

Heera Textile

**(iii) Details of transactions with related parties and balances**

| Name | Relationship | Nature of transaction | 31 March 2022 | | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|---|---|---|---|
| | | | Amount of transaction during the year | Balance as at 30 Sep 2021 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2021 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2020 Receivables/ (Payables) |
| Ajay Kumar Gupta | Relative | Remuneration | 0.00 | | 0.00 | | 2.82 | |
| Amit Kumar Gupta | Relative | Remuneration | 10.80 | | 10.20 | | 10.80 | |
| Arun Kumar Gupta | Relative | Remuneration | 9.24 | | 10.21 | | 9.60 | |
| Asha Devi Gupta | Relative | Remuneration | 6.60 | | | | | |
| Dhananjay Surendra Gupta | Relative | Remuneration | 6.60 | | 6.00 | | 6.00 | |
| Harshvardhan Maheshkant Gupta | Relative | Remuneration | 9.24 | | 8.52 | | 8.52 | |
| Hemanshu Gupta | Relative | Remuneration | 8.58 | | 9.12 | | 7.50 | |
| Hemant Kumar Gupta | Director | Remuneration | 9.36 | | 8.40 | | 9.00 | |
| Jaiprakash Gupta | Relative | Remuneration | 0.00 | | 2.88 | | 2.88 | |
| Kalpesh Kumar Gupta | Relative | Remuneration | 8.64 | | 8.16 | | 8.16 | |
| Kanchan Gupta | Relative | Remuneration | 5.40 | | | | | |
| Kashyap Gupta | Relative | Remuneration | 1.50 | | 1.50 | | 1.50 | |
| Kaushik Gupta | Relative | Remuneration | 10.92 | | 9.53 | | 9.00 | |
| Krishnakant Gupta | Director | Remuneration | 9.72 | | 13.91 | | 12.00 | |
| Madanlal Gupta | Director | Remuneration | 12.36 | | 12.14 | | 10.80 | |
| Maheshkant Gupta | Relative | Remuneration | 12.00 | | 9.60 | | 9.60 | |
| Maya Devi Gupta | Relative | Remuneration | 7.50 | | | | | |
| Mukesh Kumar Gupta | Relative | Remuneration | 4.98 | | 4.88 | | 4.50 | |
| Narendra Kumar Gupta | Relative | Remuneration | 2.64 | | 2.64 | | 2.64 | |
| Neelam A Gupta | Relative | Remuneration | 8.70 | | | | | |
| Neelam Kaushik Gupta | Relative | Remuneration | 7.56 | | | | | |
| Radheshyam Gupta | Relative | Remuneration | 7.80 | | 7.20 | | 7.20 | |
| Sachin Kumar Gupta | Relative | Remuneration | 9.72 | | 9.72 | | 10.20 | |
| Sapna Devi Gupta | Relative | Remuneration | 3.84 | | | | | |
| Saroj Devi Gupta | Relative | Remuneration | 2.76 | | | | | |
| Savita Devi Gupta | Relative | Remuneration | 8.04 | | | | | |
| Seema Devi Gupta | Relative | Remuneration | 9.60 | | | | | |
| Shashi Devi Gupta | Relative | Remuneration | 7.68 | | | | | |
| Shweta Gupta | Relative | Remuneration | 4.80 | | | | | |
| Sunita Devi Gupta | Relative | Remuneration | 5.76 | | | | | |
| Surendra Kumar Gupta | Relative | Remuneration | 12.00 | | 14.09 | | 10.20 | |
| Vijay Kumar Gupta | Director | Remuneration | 10.20 | | 12.61 | | 11.40 | |
| Heera Textile | Relative | Loan received | 75.83 | 485.56 | 196.00 | 518.63 | 466.37 | 580.17 |
| | | Loan given | 161.95 | | 257.54 | | 114.16 | |
| | | Interest paid | 58.94 | | 63.40 | | 35.24 | |

Note to Trade Receivables: Ageing

| Outstanding for following periods from due date of payment | Undisputed Trade receivables – considered good | | |
|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Less than 6 months | 3,563.82 | 3,148.69 | 3,785.53 |
| 6 months to 1 year | 47.50 | 17.01 | 15.66 |
| 1-2 years | 28.01 | 127.89 | 17.58 |
| 2-3 years | 36.84 | 16.73 | 11.19 |
| more than 3 years | 5.88 | - | - |
| | 3,682.04 | 3,310.32 | 3,829.96 |

Note to Trade payable : Ageing

| Outstanding for following periods from due date of payment | Undisputed dues to Others | | |
|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Less than 6 months | 1,540.46 | 769.11 | 1,401.83 |
| 6 months to 1 year | 24.68 | 29.92 | 82.44 |
| 1-2 years | 13.92 | 146.03 | 11.75 |
| 2-3 years | 28.45 | 6.38 | 5.14 |
| more than 3 years | - | - | 0.72 |
| | **1,607.51** | **951.43** | **1,501.89** |

**Note to Long-term Borrowings and Short-term borrowings**

| Sr. No. | Name of the Lender | Name of the Facility | Sancioned Amount (Rs. In Lakhs) | Rate of Interest | Installment amount | Tenor/Repayment Schedule and last installment date | Security Details |
|---|---|---|---|---|---|---|---|
| 1 | The Cosmos Co-op Bank Ltd | Term Loan - (1028010091) | 500 | 8.75% | 835,020 | 90 - 29/09/2024 | Plant & Machinery & As per note below |
| 2 | The Cosmos Co-op Bank Ltd | Term Loan - (1028012737) | 700 | 8.75% | 653,566 | 84 - 26/03/2028 | Plant & Machinery & As per note below |
| 3 | The Cosmos Co-op Bank Ltd | Term Loan - (1028018064) | 118 | 8.75% | 224,105 | 90 - 24/09/2024 | Plant & Machinery & As per note below |
| 4 | The Cosmos Co-op Bank Ltd | Term Loan - (1028018091) | 222 | 8.75% | 347,523 | 72 - 03/08/2024 | Plant & Machinery & As per note below |
| 5 | The Cosmos Co-op Bank Ltd | Term Loan - (1027533046) | 250 | 8.75% | 1,144,989 | 36 - 05/11/2023 | Plant & Machinery & As per note below |
| 6 | The Cosmos Co-op Bank Ltd | Term Loan - (10280180107) | 48 | 8.75% | 152,955 | 48 - 13/08/2022 | Plant & Machinery & As per note below |
| 7 | The Cosmos Co-op Bank Ltd | CASH CREDIT | 57.5 | 8.75% | NA | YEARLY RENEWAL | All current assets and as per note below |
| 8 | The Cosmos Co-op Bank Ltd | Term Loan - (1028018055) | 25 | 8.75% | 54,669 | 74 - 02/11/2022 | Plant & Machinery & As per note below |
| 9 | The Cosmos Co-op Bank Ltd | Term Loan - (1028018082) | 25 | 8.75% | 53,921 | 74 - 23/09/2023 (*) | Plant & Machinery & As per note below |
| 10 | STAND CHARTED BANK LTD | GECL | 135 | 8.50% | 281,125 | 48-28/02/2028 | GOVT ECGLS |
| 11 | AXIS BANK | MOTOR CAR LOAN | 19.69 LACS | 9.00% | 30,699 | 84 - 08/2028 | Motor Car & As per note below |
| 12 | HDFC BANK | MOTOR CAR LOAN | 12.95 LACS | 9.00% | 26,000 | 60- 12/2026 | Motor Car & As per note below |
| 13 | The Cosmos Co-op Bank Ltd | CASH CREDIT | 5500 | 8.75% | | YEARLY RENEWAL | All current assets and as per note below |
| 14 | Standard Chartered bank Ltd | O/D , PCFC | 550 | 8.50% | | YEARLY RENEWAL | All current assets and as per note below |
| | | | | | | | |
| | | | | | | (*) Closed on 17/10/2020 | |

Note: **Collaterall Security**

1) Land adm. 2109 Sq. mt. and building standing at Plot No C-1 / 2305, 2306, 2307, GIDC, Umbergaon, Dist. Valsad. Gujarat. It is owned by the Company.

2) Land adm. 25830 Sq. mt and building standing thereon & to be constructed hereinafter at Plot No 277, GIDC, Umbergaon, Valsad, Gujarat. It is owned by the Company.

3) Existing Plant and Machinery at the above mentioned Plots.

4) Ground + 3 upper floors Staff and Guest Quarter at plot no 329 & 330 adm. 257 Sq. mtr & Building standing thereon, GIDC Colony, Umbergaon, Valsad, Gujarat . It is owned by Mr. Vijaykumar Gupta.

5) Unit No. 311 & 312 adm. 280 Sq.ft. Carpet area situated on 3rd floor, Shree Ganesh Darshan Co-op. Soc. Ltd., 157 /5, Dr. Vegas Street, 5th Cavel Cross Lane, Kalbadevi Road, Mumbai-400002.

## FINANCIAL INDEBTNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

Pursuant to a special resolution of our Shareholders passed at the Extra-Ordinary General meeting held on February 11, 2022, our Board has been authorized to borrow monies, which, together with the monies already borrowed, exceeds the aggregate of the paid-up capital and free reserves apart from temporary loans borrowed in the ordinary course of business, from such person or persons on such terms and conditions as to the repayment, interest and otherwise as they may think fit and proper, provided that the aggregate amount so borrowed shall not, at any time, exceed ₹ 50,000.00 lacs.

Set forth is a brief summary of our Company's secured and unsecured borrowings as on March 31, 2022 together with a brief description of certain significant terms of such financing arrangements.

### SECURED BORROWINGS

1. **Loan of ₹ 5,500.00 lacs from The Cosmos Co-Op Bank Limited as per Sanction letter dated September 06, 2021.**

***(Rs. in lacs)***

| Nature of Facility | Sanctioned Limits | Rate of Interest/ Commission | Tenure/ Valid upto | Outstanding as at March 31, 2022 |
|---|---|---|---|---|
| Cash Credit | 5,500.00 | 8.75% p.a. | Repayable on demand / Review upto August 31, 2022 | 5583.19 |
| PC / PCFC / FBD (Sub limit of CC) | (600.00) | As per Bank's Rules | Repayable on demand / Review upto August 31, 2022 | |
| Letter of Credit | 250.00 | As per Bank's Rules | As per LC / Review upto August 31, 2022 | |
| Loan Equivalent Risk | 25.00 | As per Bank's Rules | As per LER Terms / Review upto August 31, 2022 | |
| Bank Guarantee | 200.00 | As per Bank's Rules | As per Bank Guarantee Terms / Review upto August 31, 2022 | |
| Bills Discounting (Sub limit of CC) | (1,200.00) | 8.75% p.a. | Repayable on demand / Review upto August 31, 2022 | |
| **Total** | **5,975.00** | | | **5,583.19** |

### SECURITY DETAILS:

| **Collateral Security** | | | |
|---|---|---|---|
| Mortgage of properties as mentioned below: | | | |
| **Sr. No** | **Property Description** | **Type of Property** | **Owner** |
| 1 | Plot No. C-1/2305, 2306, 2307, S. No. 159/P, GIDC, Umbergaon, Dist. Valsad. Gujarat | Land and construction standing thereon & to be constructed | Company |
| 2 | Plot No 277, S. No. 203/P, 204/P, Village Solsumba, Taluka Umbergaon, District Valsad, Gujarat | Land and construction standing thereon & to be constructed | Company |
| 3 | Plot no 329 & 330, S. No. 258/P, GIDC Colony, Village Solsumba, Taluka Umbergaon, District Valsad, Gujarat | Land and construction standing thereon & to be constructed | Vijaykumar Gupta |
| 4 | Unit No. 311 & 312, 3rd floor, Shree Ganesh Darshan Co-op. Soc. Ltd., 157/5, Dr. Vegas Street, 5th Cavel Cross Lane, Kalbadevi Road, Mumbai – 400 002 | Property | Company |
| 5 | Existing Plant & Machinery, Furniture, Fixture and Interior | Fixed Assets | Company |

| **Guarantors:** | | | |
|---|---|---|---|
| 1 | Vijaykumar Jawaharlal Gupta | 6 | Arunkumar Radheshyam Gupta |
| 2 | Krishankant Tarachand Gupta | 7 | Hemantkumar Shivlal Gupta |
| 3 | Madanlal Hiralal Gupta | 8 | Kaushik Satish Gupta |
| 4 | Amitkumar Jayprakash Gupta | 9 | Surendrakumar Tarachand Gupta |

| | | | |
|---|---|---|---|
| 5 | Maheshkant Tarachand Gupta | 10 | M/s Heera Textiles |

**2. Loan of ₹ 550.00 lacs from Standard Chartered Bank as per Sanction letter dated July 04, 2019.**

***(Rs. in lacs)***

| Nature of Facility | Sanctioned Limits | Rate of Interest/ Commission | Tenure/ Valid upto | Outstanding as at March 31, 2022 |
|---|---|---|---|---|
| Working Capital Finance | 550.00 | 8.5% | As per sub limit type | 252.33 |
| Pre-Shipment Loan (Sub limit) | (550.00) | MCLR + 1.25% p.a. | Maximum period of 90 days | |
| Post-Shipment Loan (Sub limit) | (550.00) | MCLR + 1.25% p.a. | Maximum period of 90 days and upto 85% of invoice amount | |
| Overdraft Facility (Sub limit) | (400.00) | MCLR + 1.25% p.a. | Payable on demand | |
| **Total** | **550.00** | | | **252.33** |

**SECURITY DETAILS:**

| **Collateral Security** | | | |
|---|---|---|---|
| Mortgage of properties as mentioned below: | | | |
| **Sr. No** | **Property Description** | **Type of Property** | **Owner** |
| 1 | Flat No. 401 & 402, 4th Floor, Building "Shri Niketan", Malad Sai Ashirwad Co-Op Hsg Soc Ltd, Plot No. 18-19, Sai Baba Park, Evershine Nagar, Malad (West), Mumbai – 400 064. | Residential Property | Mr. Krishankant Gupta, Mr. Hemanshu Krishankant Gupta and Mrs. Shashidevi Krishankant Gupta |
| 2 | Flat No. 701 & 702, 7th Floor, Building "Shri Niketan", Malad Sai Ashirwad Co-Op Hsg Soc Ltd, Plot No. 18-19, Sai Baba Park, Evershine Nagar, Malad (West), Mumbai – 400 064. | Residential Property | Mr. Madanlal Hiralal Gupta and Mr. Kashyap Madanlal Gupta |
| 3 | Flat No. 1101 & 1102, 11th Floor, Building "Shri Niketan", Malad Sai Ashirwad Co-Op Hsg Soc Ltd, Plot No. 18-19, Sai Baba Park, Evershine Nagar, Malad (West), Mumbai – 400 064. | Residential Property | Mr. Vijaykumar Gupta, Mr. Sachin Kumar Gupta and Mrs. Shweta Sachin Gupta |

| **Guarantors:** | | | |
|---|---|---|---|
| 1 | M/s Heera Textiles | 7 | Madanlal Hiralal Gupta |
| 2 | Hemanshu Krishankant Gupta | 8 | Sachin Kumar Gupta |
| 3 | Hemant Kumar Shivlal Gupta | 9 | Shashidevi Krishankant Gupta |
| 4 | Kanchanjunga Impex Private Limited | 10 | Shweta Sachin Gupta |
| 5 | Kashyap Madanlal Gupta | 11 | Vijaykumar Gupta |
| 6 | Krishankant Tarachand Gupta | | |

**3. Loan of ₹ 750.00 lacs from The Cosmos Co-Op Bank Limited as per Sanction letter dated October 10, 2020.**

***(Rs. in lacs)***

| Nature of Facility | Sanctioned Limits | Rate of Interest/ Commission | Tenure/ Valid upto | Outstanding as at January 31, 2022 |
|---|---|---|---|---|
| Letter of Credit Discounting (Working Capital Finance) | 750.00 | 8.75% p.a. | Repayable on demand / Review up to August 31, 2022 | NIL |
| **Total** | **750.00** | | | **NIL** |

| **Guarantors:** | | | |
|---|---|---|---|
| 1 | Vijaykumar Jawaharlal Gupta | 6 | Arunkumar Radheshyam Gupta |
| 2 | Krishankant Tarachand Gupta | 7 | Hemantkumar Shivlal Gupta |
| 3 | Madanlal Hiralal Gupta | 8 | Kaushik Satish Gupta |
| 4 | Amitkumar Jayprakash Gupta | 9 | Surendrakumar Tarachand Gupta |
| 5 | Maheshkant Tarachand Gupta | 10 | M/s Heera Textiles |

**4. Loan of ₹ 900.00 lacs from The Cosmos Co-Op Bank Limited as per Sanction letter dated November 07, 2020.**

***(Rs. in lacs)***

| Nature of Facility | Sanctioned Limits | Rate of Interest/ Commission | Tenure/ Valid upto | Outstanding as at March 31, 2022 |
|---|---|---|---|---|
| Term Loan (Working capital Finance) | 700.00 | 8.75% p.a. | 72 months + 12 months moratorium period | 582.76 |
| Bank Guarantee | 200.00 | As per Bank's Rules | As per Bank Guarantee Terms / Review up to August 31, 2022 | |
| **Total** | **900.00** | | | **582.76** |

**SECURITY DETAILS:**

| **Collateral Security** | | | |
|---|---|---|---|
| Mortgage of properties as mentioned below: | | | |
| **Sr. No** | **Property Description** | **Type of Property** | **Owner** |
| 1 | Plot No. C-1/2305, 2306, 2307, S. No. 159/P, GIDC, Umbergaon, Dist. Valsad. Gujarat | Land and construction standing thereon & to be constructed | Company |
| 2 | Plot No 277, S. No. 203/P, 204/P, Village Solsumba, Taluka Umbergaon, District Valsad, Gujarat | Land and construction standing thereon & to be constructed | Company |
| 3 | Plot no 329 & 330, S. No. 258/P, GIDC Colony, Village Solsumba, Taluka Umbergaon, District Valsad, Gujarat | Land and construction standing thereon & to be constructed | Vijaykumar Gupta |
| 4 | Unit No. 311 & 312, 3rd floor, Shree Ganesh Darshan Co-op. Soc. Ltd., 157/5, Dr. Vegas Street, 5th Cavel Cross Lane, Kalbadevi Road, Mumbai – 400 002 | Manufacturing Unit | Company |
| 5 | Existing Plant & Machinery, Furniture, Fixture and Interior | Fixed Assets | Company |

| **Guarantors:** | | | |
|---|---|---|---|
| 1 | Vijaykumar Jawaharlal Gupta | 6 | Arunkumar Radheshyam Gupta |
| 2 | Krishankant Tarachand Gupta | 7 | Hemantkumar Shivlal Gupta |
| 3 | Madanlal Hiralal Gupta | 8 | Kaushik Satish Gupta |
| 4 | Amitkumar Jayprakash Gupta | 9 | Surendrakumar Tarachand Gupta |
| 5 | Maheshkant Tarachand Gupta | 10 | M/s Heera Textiles |

**5. Loan of ₹ 500.00 lacs from The Cosmos Co-Op Bank Limited as per Revised Sanction letter dated October 04, 2021.**

***(Rs. in lacs)***

| Nature of Facility | Sanctioned Limits | Rate of Interest/ Commission | Tenure/ Valid upto | Outstanding as at March 31, 2022 |
|---|---|---|---|---|
| Invoice Discounting Facility (Working Capital Finance) | 500.00 | 8.75% p.a. | Repayable on demand / Review upto August 31, 2022 | 350.61 |
| **Total** | **500.00** | | | **350.61** |

**SECURITY DETAILS:**

| **Collateral Security** | | | |
|---|---|---|---|
| Mortgage of properties as mentioned below: | | | |
| **Sr. No** | **Property Description** | **Type of Property** | **Owner** |
| 1 | Plot No. C-1/2305, 2306, 2307, S. No. 159/P, GIDC, Umbergaon, Dist. Valsad. Gujarat | Land and construction standing thereon & to be constructed | Company |
| 2 | Plot No 277, S. No. 203/P, 204/P, Village Solsumba, Taluka Umbergaon, District Valsad, Gujarat | Land and construction standing thereon & to be constructed | Company |
| 3 | Plot no 329 & 330, S. No. 258/P, GIDC Colony, Village Solsumba, Taluka Umbergaon, District Valsad, Gujarat | Land and construction standing thereon & to be constructed | Vijaykumar Gupta |
| 4 | Unit No. 311 & 312, 3rd floor, Shree Ganesh Darshan Co-op. Soc. Ltd., 157/5, Dr. Vegas Street, 5th Cavel Cross Lane, Kalbadevi Road, Mumbai – 400 002 | Manufacturing Unit | Company |

| | | | |
|---|---|---|---|
| 5 | Existing Plant & Machinery, Furniture, Fixture and Interior | Fixed Assets | Company |

| **Guarantors:** | | | |
|---|---|---|---|
| 1 | Vijaykumar Jawaharlal Gupta | 6 | Arunkumar Radheshyam Gupta |
| 2 | Krishankant Tarachand Gupta | 7 | Hemantkumar Shivlal Gupta |
| 3 | Madanlal Hiralal Gupta | 8 | Kaushik Satish Gupta |
| 4 | Amitkumar Jayprakash Gupta | 9 | Surendrakumar Tarachand Gupta |
| 5 | Maheshkant Tarachand Gupta | 10 | M/s Heera Textiles |

**6. Term Loan of ₹ 250.00 lacs from The Cosmos Co-Op Bank Limited as per Sanction letter dated November 02, 2020.**

***(Rs. in lacs)***

| Nature of Facility | Sanctioned Limits | Rate of Interest/ Commission | Tenure/ Valid upto | Outstanding as at January 31, 2022 |
|---|---|---|---|---|
| Term Loan (Working Capital Finance) | 250.00 | 8.75% p.a. | 36 Months (including moratorium period of 12 months & repayment period of 24 months) | 250.00 |
| **Total** | **250.00** | | | **250.00** |

**SECURITY DETAILS:**

| **Collateral Security** | | | |
|---|---|---|---|
| Mortgage of properties as mentioned below: | | | |
| **Sr. No** | **Property Description** | **Type of Property** | **Owner** |
| 1 | Plot No. C-1/2305, 2306, 2307, S. No. 159/P, GIDC, Umbergaon, Dist. Valsad. Gujarat | Land and construction standing thereon & to be constructed | Company |
| 2 | Plot No 277, S. No. 203/P, 204/P, Village Solsumba, Taluka Umbergaon, District Valsad, Gujarat | Land and construction standing thereon & to be constructed | Company |
| 3 | Plot no 329 & 330, S. No. 258/P, GIDC Colony, Village Solsumba, Taluka Umbergaon, District Valsad, Gujarat | Land and construction standing thereon & to be constructed | Vijaykumar Gupta |
| 4 | Unit No. 311 & 312, 3rd floor, Shree Ganesh Darshan Co-op. Soc. Ltd., 157/5, Dr. Vegas Street, 5th Cavel Cross Lane, Kalbadevi Road, Mumbai – 400 002 | Manufacturing Unit | Company |
| 5 | Existing Plant & Machinery, Furniture, Fixture and Interior | Fixed Assets | Company |

| **Guarantors:** | | | |
|---|---|---|---|
| 1 | Vijaykumar Jawaharlal Gupta | 6 | Arunkumar Radheshyam Gupta |
| 2 | Krishankant Tarachand Gupta | 7 | Hemantkumar Shivlal Gupta |
| 3 | Madanlal Hiralal Gupta | 8 | Kaushik Satish Gupta |
| 4 | Amitkumar Jayprakash Gupta | 9 | Surendrakumar Tarachand Gupta |
| 5 | Maheshkant Tarachand Gupta | 10 | M/s Heera Textiles |

**UNSECURED BORROWINGS**

In addition to the secured borrowings availed by us from banks, we have also availed certain unsecured loans. Set forth below is a brief summary of Unsecured Loans as on March 31, 2022:

***(Rs. in lakhs)***

| Particulars | Amount |
|---|---|
| **Related Parties (A)** | |
| M/s Heera Textiles | 4,85.55 |
| **Total (A)** | **4,85.55** |
| **Others (B)** | |
| M/s Kamdhenu Enterprises | 40.07 |
| M/s Pramod Agencies | 429.95 |
| M/s RMK Enterprises | 20.16 |

| | |
|---|---|
| **Total (B)** | **490.20** |
| **TOTAL (A)+(B)** | **975.76** |

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Our Company was originally incorporated as 'Veekayem Textile Mills Private Limited' on September 17, 1985 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 13, 2018, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Veekayem Textile Mills Limited' and a fresh certificate of incorporation dated June 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. Subsequently, pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on August 18, 2018 the name of our Company was changed to 'Veekayem Fashion & Apparels Limited' and a fresh certificate of incorporation dated October 29, 2018 was issued to our Company by the Registrar of Companies, Mumbai. The corporate identification number of our Company is U17120MH1985PLC037516.

We are engaged in the business of weaving and garment manufacturing. We are majorly engaged in the business of manufacturing for various brands, however we also cater to exports and local markets in customized designs as requested by our clients and customers in textile and apparel industry.

Our Company deals in a range of products like Shirting fabrics, Suiting Fabrics, Trouser fabrics, jacketing fabrics, format trousers, cotton trousers and other accessories etc. Our extensive product portfolio of 100% Cotton – Lycra and Non-Lycra, Giza, Supima, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen.

The experience and trade relations developed by our promoters and management have been one of the key instrumental factors in the growth of our Company. Krishankant Gupta, Vijaykumar Gupta and Madanlal Gupta are the promoters of our company. They have an adequate experience in the line of the business undertaken by the Company and look after the strategic as well as day to day business operations. Our Promoters believe in the ideology of continuous improvement and development. Also, we believe role of a management team is equally important as to that of our employees for growth of a business, and accordingly we have placed an experienced management team to look after various facets of operations.

We endeavour to satisfy customers by continuous improvement through process innovation and quality maintenance. We focus on producing quality product to increase customer satisfaction and develop a positive brand image in the industry. Our management and team has enable us to maintain continuing customer relations, ensuring repeat order flows. We aim to grow our operations on PAN India basis and make our brand as a distinguished name in industry.

We operate from our registered office located in Mumbai City, Maharashtra. Our manufacturing facility is situated at Umargaon in state of Gujarat. The manufacturing facility is installed with automated machineries having capacity to manufacture 5, 00,000 Meters fabrics per month and 1, and 50,000 pcs of readymade garments per month.

Technology is a crucial aspect of the garments industry. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern technology and processing techniques by virtue of which we are able to ensure quality output.

We have testing facility within the premises of manufacturing units. Our manufacturing facility has fully equipped quality control department with experienced staff to facilitate smooth manufacturing process. We have necessary infrastructure to test our raw materials and finished products to match the quality standards and as specified by the relevant customers. All

the products are being manufactured strictly as per quality norms using the expertise of our experienced team to provide quality output to our customers at competitive prices.

## FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in this Prospectus and the Risk Factors given in this Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

***Competition***

The textile industry in India is competitive with both organized and unorganized markets. However, we are required to compete both in the domestic and international markets. We may be unable to compete with the prices and products offered by our competitors (local as well as international). We may have to compete with new players in India and abroad who enter the market and are able to offer competing products. Our competitors may have access to greater financial, manufacturing, research and development, design, marketing, distribution and other resources and more experience in obtaining the relevant regulatory approvals. Increasing competition may result in pricing pressures and decreasing profit margins or loss of market share or failure to improve our market position, any of which could substantially harm our business and results of operations.

**COVID-19 Pandemic**

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the textile industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the recent wave of the virus, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

During the first wave in India in first quarter of FY 2020-21, our manufacturing facilities were severely affected by government restrictions. During the second wave, the lockdown did not halt operations within our factories after Central Government lifted partial restrictions. However, in case due to recent third or consequent wave of COVID-19, if another lockdown is imposed in the country, we may face huge losses and our business operations could be severely impacted. Any such interruptions or disruptions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

The extent to which the COVID-19 pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and severity of the pandemic, the nature and scope of government actions to contain the pandemic or address its impact, and how quickly and to what extent normal economic and operating conditions can resume, other geographies affected and the impact of the pandemic on economic activity in India and globally. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Given the rapidly changing implications of the spread of COVID-19, it is difficult to assess its impact on our business and results of operations at this time and we may not be able to quantify or accurately predict the same.

**Significant Developments after March 31, 2022 that may affect our Future Results of Operations**

The Directors confirm that there have been no other events or circumstances since the date of the last financial statements as disclosed in this Prospectus which materially or adversely affect or is likely to affect the profitability of our Company or the value of our assets, or our ability to pay liabilities within next twelve months.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**a) Basis of preparation of Financial Statements:**

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at as at March 31, 2022, March 31, 2021, 2020, and 2019 , the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the for the period ended March 31, 2022, years ended March 31, 2021, 2020, and 2019 (hereinafter collectively referred to as "Restated Financial Information") have been extracted by audited

financial statements for the March 31, 2022, March 31, 2021, 2020, and 2019, approved by the respective Board of Directors of the companies.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**b) Use of Estimates:**

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

**c) Fixed Assets:**

a) Fixed are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
b) Costs directly attributable to acquisition are capitalized until the Fixed Assets are ready for use, as intended by the management;
c) Subsequent expenditures relating to fixed assets are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
e) Depreciation on Tangible Assets in case of company is provided in such a manner so that the cost of asset (Net of realizable value) will be amortized over their estimated remaining useful life on SLM basis as per the useful life prescribed under Schedule II to the Companies Act 2013.
f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end.

**d) Impairment of Assets:**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**e) Provisions and Contingent Liabilities:**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not,

require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

**f) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**g) Inventories:**

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores & Spare parts and Packing Material-Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

b) Work-in-Progress is valued at raw material cost plus proportionate conversion cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, however due to the nature of the company the own manufactured goods are valued at a Retail Method basis on a consistent basis, however the Trading Goods are valued at the lower of Cost or Net Realisable Value.

**h) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of GST, trade discounts and returns, as applicable.

**Income from services**

Revenue from services is recognised when services have been rendered and there should be no uncertainty regarding consideration and its ultimate collection.

**Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend Income**

Dividend Income is recognised on receipt basis.

**i) Retirement and Employee Benefits:**

**Defined-contribution plans:**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Group has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end. Under the Gratuity Fund Plan, the holding company contributes to a LIC administered Group Gratuity Fund on behalf of employees.

**j) Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented

**k) Income Tax:**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognised for all timing differences; being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out

**l) Foreign Exchange Transaction:**

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material etc. are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

**m) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**n) Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

**o) Segment Reporting:**

Company is operating under a single segment.

**RESULTS OF OUR OPERATIONS**

*(Amount ₹ in lacs)*

| Particulars | For the year ended March 31,2022 | % of Total Income | For the year ended March 31 | | | |
|---|---|---|---|---|---|---|
| | | | 2021 | % of Total Income | 2020 | % of Total Income |
| **INCOME** | | | | | | |
| Revenue from Operations | 14,900.64 | 99.69% | 7,655.73 | 99.81% | 21,551.64 | 99.91% |
| Other Income | 46.38 | 0.31% | 14.33 | 0.19% | 19.83 | 0.09% |
| **Total Income (A)** | **14,947.02** | **100.00%** | **7,670.06** | **100.00%** | **21,571.46** | **100.00%** |
| **EXPENDITURE** | | | | | | |
| Cost of Material Consumed | 12,078.90 | 80.81% | 5,374.18 | 70.07% | 18,428.11 | 85.43% |
| Changes in inventories of stock-in-trade | (792.71) | (5.30)% | (244.91) | (3.19)% | (1,055.75) | (4.89)% |
| Employee benefits expense | 1,179.35 | 7.90% | 707.35 | 9.22% | 1,327.06 | 6.15% |
| Finance costs | 752.11 | 5.03% | 784.88 | 10.23% | 745.76 | 3.46% |
| Depreciation and Amortization expense | 127.57 | 0.85% | 129.68 | 1.69% | 139.03 | 0.64% |
| Other expenses | 1,448.76 | 9.69% | 868.19 | 11.32% | 1,830.76 | 8.49% |
| **Total Expenses (B)** | 14,793.99 | **98.98%** | **7,619.36** | **99.34%** | **21,414.97** | **99.27%** |
| **Profit before extraordinary items and tax (A-B)** | **153.03** | **1.02%** | **50.70** | **0.66%** | **156.49** | **0.73%** |
| Extraordinary items | - | - | - | - | - | - |
| **Profit before tax** | **153.03** | **1.02%** | **50.70** | **0.66%** | **156.49** | **0.73%** |
| *Tax expense:* | | | | | | |
| (i) Current tax | 28.44 | 0.19% | 7.91 | 0.10% | 39.14 | 0.18% |
| (ii) MAT credit entitlement | - | - | (4.16) | (0.05)% | - | - |
| (iii) Tax related to earlier years | - | - | - | - | - | - |
| (iv) Deferred tax | (63.95) | (0.43)% | 11.70 | 0.15% | 8.25 | 0.04% |
| **Total Tax Expense** | **(35.51)** | **(0.23)%** | **15.45** | **0.20%** | **47.39** | **0.22%** |
| **Profit for the year** | **188.54** | **1.26%** | **35.25** | **0.46%** | **109.10** | **0.51%** |

***Main Components of our Profit and Loss Account***

**Income**

Our total income comprises of revenue from operations and other income.

***Revenue from Operations***

Our revenue from operation as a percentage of our total income was 99.69%, 99.81%, 99.91% and 99.99% for the Financial Years ended March 31, 2022, March 31, 2021, March 31, 2020 and March 31, 2019 respectively.

**Other Income**

Our other income comprises of rent received, interest income, other income and profit on sale of fixed assets.

**Expenditure**

Our total expenditure primarily consists of cost of material consumed, employee benefit expenses, finance costs and Other Expenses.

***Employee Benefit Expenses***

Our employee benefits expense comprises of salaries, wages and bonus, contribution to PF & Other funds, Gratuity expenses and staff welfare expenses**.**

***Finance costs***

It includes expenses like interest expense and bank charges including processing fees.

***Other Expenses***

Other expenses primarily include job charges, power & fuel, transportation charges, professional & legal expenses, insurance expenses, security charges, commission & brokerage, freight & cartage, audit fees, donation, vehicle expense, general expenses, coolies & cartage, repair & maintenance, telephone expenses, water charges, postage & courier charges, rent, rates & taxes, printing & stationery, travelling & conveyance and miscellaneous expenses.

***Provision for Tax***

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainly that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

**Fiscal 2022 compared with fiscal 2021**

***Income***

The total income of our company for the Fiscal ended March 31, 2022 was ₹ 14,947.02 lacs against ₹ 7,670.06 lacs total income for Fiscal year 2021. This is an increase of 94.87%, this was due to the face that last year was impacted by Covid-19, because of which factory was shut for 4 months. So in FY22 the growth was very good in comparison to FY21.

***Expenditure***

***Cost of Material Consumed***

For the Fiscal ended March 31, 2022, our Company consumed cost of materials worth ₹ 12,078.90 lacs against ₹ 5,374.18 lacs expenses in fiscal 2021. An increase of 124.76% from fiscal 2021 to 2022. This was due to increase in garment sales. There was a 117.96% increase in Purchase of Raw & Packing Material.

***Employee Benefit Expenses***

For the Fiscal ended March 31, 2022, our Company incurred for employee benefit expenses ₹ 1,179.35 lacs against ₹ 707.35 lacs expenses in fiscal 2021. An increase of 66.73% from fiscal 2021 to 2022. Salaries, Wages & Bonus increased by 64.46% as operations resumed in full capacity, more workforce were hired which led to increase in this cost"

***Finance Costs***

For the Fiscal ended March 31, 2022, our Company incurred finance costs of ₹ 752.11 lacs against ₹ 784.88 lacs expenses in fiscal 2021. A decrease of 4.18% from fiscal 2021 to 2022. This was due to reduction in interest rate by bank from 9.75 % to 8.75%.

***Depreciation and Amortization Expenses***

For the Fiscal ended March 31, 2022, our Company incurred depreciation and amortization expenses of ₹ 127.57 lacs against ₹ 129.68 lacs expenses in fiscal 2021. A decrease of 1.62% from fiscal 2021 to 2022 was due to normal reduction in cost of depreciable assets.

***Other Expenses***

For the Fiscal ended March 31, 2022, our other expenses were ₹ 1448.76 lacs and ₹ 868.19 lacs in fiscal 2021. An increase of 66.87% from fiscal 2021 to 2022. This was due to last year, because of Covid-19, lot of expenses did not occurred as operations hampered. As this year we are fully operational, we incurred more costs in comparison to last year.

***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal ended March 31, 2022 of ₹ 153.03 lacs against profit before tax of ₹ 50.70 lacs in Fiscal 2021. The Profit before tax increased by 201.84%.

***Profit/ (Loss) after Tax***

Our Company had reported a profit after tax for the Fiscal ended March 31, 2022 of ₹ 188.54 lacs against profit after tax of ₹ 35.25 lacs in fiscal 2021. This increased by 434.87%.

**Fiscal 2021 compared with fiscal 2020**

***Income***

The total income of our company for fiscal year 2021 was ₹ 7,670.06 lacs against ₹ 21,571.46 lacs total income for Fiscal year 2020. A decrease of 64.44% in total income. This was due to impact from Covid-19. However, there is an increase in export incentives from ₹ 4.85 lacs in fiscal 2020 to ₹ 20.00 lacs in fiscal 2021.

***Expenditure***

***Cost of Material Consumed***

In Fiscal 2021, our Company consumed cost of materials worth ₹ 5,374.18 lacs against ₹ 18,428.11 lacs expenses in fiscal 2020. A decrease of 70.84% from fiscal 2020 to 2021. This was also due to impact from Covid-19 as normal demand & operations suffered.

***Employee Benefit Expenses***

In Fiscal 2021, our Company incurred for employee benefit expenses ₹ 707.35 lacs against ₹ 1,327.06 lacs expenses in fiscal 2020. A decrease of 46.70% from fiscal 2020 to 2021. Salaries, Wages & Bonus decreased by 44.02% as sales decreased, workforce was reduced".

***Finance Costs***

In Fiscal 2021, our Company incurred finance costs of ₹ 784.88 lacs against ₹ 745.76 lacs expenses in fiscal 2020. An increase of 5.25% from fiscal 2020 to 2021. This nominal increase was due to increase in working capital requirements.

***Depreciation and Amortization Expenses***

In Fiscal 2021, our Company incurred depreciation and amortization expenses of ₹ 129.68 lacs against ₹ 139.03 lacs expenses in fiscal 2020. A decrease of 6.73% from fiscal 2020 to 2021. This was due to depreciation charge on reducing balance method.

***Other Expenses***

In fiscal 2021, our other expenses were ₹ 868.19 lacs and ₹ 1,830.76 lacs in fiscal 2020. A decrease of 52.58% from fiscal 2020 to 2021. This was due to impact of Covid-19 as normal operations suffered, which led to lesser costs being incurred.

***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2021 of ₹ 50.70 lacs against profit before tax of ₹ 156.49 lacs in Fiscal 2020. The Profit before tax dipped by ₹ 105.79 or 67.60%. Dip in sales due to corona

***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2021 was at ₹ 35.25 lacs against profit after tax of ₹ 109.10 lacs in fiscal 2020. There was a decline in profit after tax of ₹ 73.85 lacs or 67.69%.

**Cash Flows**

*(Amount ₹ in lacs)*

| Particulars | For the year ended March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Net Cash from Operating Activities | 417.77 | 390.81 | 477.61 |
| Net Cash from Investing Activities | -121.42 | -21.79 | 19.62 |
| Net Cash used in Financing Activities | -462.44 | -205.94 | -489.09 |

***Cash Flows from Operating Activities***

Net cash from operating activities for fiscal 2022 was at ₹ 417.77 lacs as compared to the Profit before Tax at ₹ 153.03 lacs. Net cash from operating activities for fiscal 2021 was at ₹ 390.81 lacs as compared to the Profit before Tax at ₹ 50.70 lacs while for fiscal 2020, net cash used in operating activities was at ₹ 477.61 lacs as compared to the Profit before Tax at ₹ 156.49 lacs.

***Cash Flows from Investment Activities***

Net cash from investment activities for fiscal 2022 was at ₹ (121.42) lacs. Net cash from investment activities for fiscal 2021 was at ₹ (21.79) lacs as compared to ₹ 19.62 lacs in fiscal 2020.

***Cash Flows from Financing Activities***

Net cash from financing activities for fiscal 2022 was at ₹ (462.44) lacs. Net cash from financing activities for fiscal 2021 was at ₹ (205.94) lacs as compared to ₹ (489.09) lacs in fiscal 2020.

## OTHER MATTERS

**1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled *"Financial Information"* and chapter titled *"Management's Discussion and Analysis of Financial Position and Results of Operations"* beginning on Page No. 154 and 160, respectively of this Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled *"Risk Factors"* and *"Management's Discussion and Analysis of Financial Position and Result of Operations"* beginning on Page No. 24 and 160, respectively of this Prospectus, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

**4. Future relationship between Costs and Income**

Other than as described in the section titled *"Risk Factors"* beginning on Page No. 24 of this Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. Competition Conditions**

The industry in which we are operating faces competition from organized as well as unorganized players in the domestic market as well as in the international market. We have a number of competitors who manufacture and supply products, which are similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as an integrated textiles products manufacturer with a strong business model and industry expertise in manufacturing textiles products with varied applications, which enables us to provide our clients with innovative products suitable to their needs and market requirements.

## SECTION VI – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors or Promoters ("**Relevant Parties**"); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below). Our Company has no subsidiary or group company. Further, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five Financial Years including any outstanding action.

For the purposes of (iv) above in terms of Materiality Policy adopted by a resolution of our Board dated February 21, 2022, pending litigation would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding if (a) the aggregate amount involved in such individual litigation exceeds 1% (One percent) of the profit after tax of the Company, as per the last audited financial statements or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of the profit after tax of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 1% (One percent) of the profit after tax of the Company or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any basis as may be determined by the Board or any of its committees.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Further, in accordance with the Materiality Policy, the dues owned by the Company to small scale undertaking and other creditors exceeding 5% (Five percent) of the Company's trade payables for the last audited financial statements shall be considered as material dues for the Company.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

### LITIGATION INVOLVING OUR COMPANY

***Litigation against our Company***

***A. Outstanding criminal proceedings***

NIL

***B. Actions initiated by regulatory or statutory authorities***

NIL

***C. Outstanding material civil litigation***

(i) ***Shri Arvind Chandrika Singh vs. Shri Manager/Director, M/s Veekayem Textile Mills Pvt Ltd. (Ref. Case no. APPEAL IC/36/2019)***

An appeal has been filed by Mr. Arvind Chandrika Singh under Section 84 of Bombay Industrial Relations Act, 1946 before the Industrial Court at Surat against the order of Hon'ble Labour Court, Valsad dated October 25, 2019 in case no. TAPP LC/27/2015, wherein the Hon'ble Court determined that the termination of Mr. Arvind is a voluntary resignation. Mr. Arvind has alleged that his termination by the Company was without issuance of any show cause notice or giving any reasonable opportunity to hear or conducting any preliminary inquiry and therefore, alleged that he

was illegally terminated by the Company. Mr. Arvind has prayed for compensation of monetary loss suffered, along with the salary and other benefits and for reinstatement of his employment with the Company. The matter is currently pending.

***Litigation by our Company***

***A. Outstanding criminal proceedings***

NIL

***B. Outstanding material civil litigation***

(i) ***Veekayem Textile Mills Pvt Ltd vs. Maansinh Ramkishansinh (Ref. Case No. APPEAL IC/27/2014)***

An appeal has been filed by our Company under Section 84 of Gujarat Industrial Relations Act, 1946 before the Industrial Court at Surat against the order of Hon'ble Labour Court, Valsad dated October 12, 2018 in case no. TAPP LC/23/2011. The Hon'ble Labour Court, Valsad directed the Company to pay 40% salary amounting to approx. Rs. 1,57,000/- and other benefits due during the period of termination to Mr. Mannsinh while also reinstating him as an employee in the Company on account of termination of illegal termination of employment of Mr. Mannsinh. The Company has filed the present appeal and prayed before the Hon'ble Court to quashing of the order of Hon'ble Labour Court, Valsad dated October 12, 2018. The matter is currently pending.

**LITIGATION INVOLVING OUR DIRECTORS**

***Litigation against our Directors***

***A. Outstanding criminal proceedings***

NIL

***B. Actions initiated by regulatory or statutory authorities***

NIL

***C. Outstanding material civil litigation***

NIL

***Litigation by our Directors***

***A. Outstanding criminal proceedings***

NIL

***B. Outstanding material civil litigation***

NIL

**LITIGATION INVOLVING OUR PROMOTERS**

***Litigation against our Promoters***

***A. Outstanding criminal proceedings***

NIL

***B.*** ***Actions initiated by regulatory or statutory authorities***

NIL

***C.*** ***Outstanding material civil litigation***

NIL

***Litigation by our Promoters***

***A.*** ***Outstanding criminal proceedings***

NIL

***B.*** ***Outstanding material civil litigation***

NIL

**TAX PROCEEDINGS**

**A.** ***Outstanding Direct Tax Proceedings of the Company***

| S. No. | AY | Forum | Citation / Reference | Issue/s | Addition in Income (Rs.) | Demand Involved (Rs.) |
|---|---|---|---|---|---|---|
| 1. | 2003-04 | Intimation u/s 143(1) by CPC, Bangalore | Demand Reference No. 2009200351015243676C | Interest Demand u/s 143(1) | - | Rs. 9,850/- |
| 2. | 2006-07 | IT Department | Demand Reference No. 20132006100177320 41C | Interest Demand u/s 154 | - | Rs. 64,576/- |
| 3. | 2008-09 | IT Department | Demand Reference No. 20102008510882659 86C | Interest Demand u/s 143(3) | - | Rs. 21,681/- |
| 4. | 2009-10 | IT Department | - | Demand u/s 115WE | - | Rs. 51,507/- |
| 5. | 2010-11 | IT Department | Demand Reference No. 20122010100156906 86C | Interest Demand u/s 143(3) | - | Rs. 261/- |
| 6. | 2012-13 | IT Department | Demand Reference No. 20142012100098753 42C | Interest Demand u/s 143(3) | - | Rs. 30,442/- |
| 7. | 2014-15 | IT Department | - | Demand u/s 220(2) | - | Rs. 1,842/- |
| 8. | 2015-16 | IT Department | - | Assessment proceeding u/s 143(3) | - | - |
| 9. | 2018-19 | - | - | Defective notice u/s 139(9) | - | - |
| 10. | 2019-20 | Intimation u/s 143(1)(a) by CPC, Bangalore | - | Adjustment u/s 143(1)(a) | - | - |
| 11. | 2020-21 | Intimation u/s 143(1)(a) by CPC, Bangalore | Demand Reference No. 20212020370304159 80C | Tax Demand and Interest u/s 143(1)(a) | - | Rs. 2,44,606/- |
| 12. | - | IT Department | ITBA/RCV/S/221/2019-20/1024542877(1) | Notice u/s 221(2) Recovery process | - | |
| 13. | - | TDS defaults | - | TDS defaults in various Assessment Years. | - | Rs. 13,63,200/- |

**B. *Outstanding Direct Tax Proceedings in relation to Our Directors***

| S.No. | AY | Forum | Citation/Reference | Issue | Proposed Addition in Income (Rs.) | Demand Involved (Rs.) |
|---|---|---|---|---|---|---|
| **Madanlal Gupta** | | | | | | |
| 1. | 2001-02 | Intimation u/s 143(1) by CPC, Bangalore | Demand Reference No. 20112001510945335 12T | Tax Demand and Interest u/s 143(1) | - | Rs. 9,127/- |
| 2. | 2005-06 | Intimation u/s 143(1) by CPC, Bangalore | Demand Reference No. 20112005510945335 25T | Tax Demand u/s 143(1) | - | Rs. 1,534/- |
| 3. | 2007-08 | Intimation u/s 143(1) by CPC, Bangalore | Demand Reference No. 20112007510945335 30T | Tax Demand u/s 143(1) | - | Rs. 4,065/- |
| 4. | 2008-09 | Intimation u/s 143(1) by CPC, Bangalore | Demand Reference No. 20112008510945335 45T | Tax Demand u/s 143(1) | - | Rs. 3051/- |
| 5. | 2017-18 | Intimation u/s 143(1)(a) by CPC, Bangalore | Demand Reference No. 20182017370361888 50T | Tax Demand u/s 143(1)(a) | - | Rs. 38,370/- |
| 6. | 2019-20 | Intimation u/s 143(1)(a) by CPC, Bangalore | - | Tax Demand u/s 143(1)(a) | - | Rs. 8,700/- |
| 7. | 2020-21 | Intimation u/s 143(1)(a) by CPC, Bangalore | - | Adjustment u/s 143(1)(a) | - | |
| **Madhukar Jagdev Prasad Sharma** | | | | | | |
| 1. | 2011-12 | Intimation u/s 143(1)(a) by CPC, Bangalore | Demand Reference No. 20122011100149318 46T | Interest Demand u/s 143(1)(a) | - | Rs. 1,16,766/- |

**C. *Outstanding Direct Tax Proceedings of Promoter:***

Nil except in relation to Mr. Madanlal Gupta as mentioned in 'outstanding Direct Tax Proceedings in relation to Our Directors' above.

**D. *Outstanding Indirect Tax Proceedings of Company***

| S.No. | Period | Forum | Citation | Issue/s | Amount Involved (Rs.) |
|---|---|---|---|---|---|
| 1. | 2018-19 | Commercial Tax Officer | Reference No.: ZD240721012712 W | Notice u/s 61 for intimating discrepancies in returns after scrutiny asking for reason of difference between GSTR-2A & GSTR-3B. | Rs. 44,64,888.55/- |
| 2. | 2019-20 | Commercial Tax Officer | Reference No.: ZD240821031181 Y | Notice u/s 61 for intimating discrepancies in returns after scrutiny asking for reason of difference between GSTR-2A & GSTR-3B. | Rs. 18,94,516.87/- |

**E. *Outstanding Indirect Tax Proceedings of Promoter***

Nil

**F. *Outstanding Indirect Tax Proceedings of Directors***

Nil

## OUTSTANDING DUES TO CREDITORS

In accordance with the Materiality Policy, the dues owned by the Company to small scale undertaking and other creditors exceeding 5% of the Company's trade payables for the last audited financial statements shall be considered as material dues for the Company. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2022 by our Company, are set out below:

(Rs. - in Lakhs)

| S. No | Particular | Number of Creditors | Balance as on March 31, 2022 |
|---|---|---|---|
| 1. | Total Outstanding dues to Micro, Small & Medium Enterprises | - | - |
| 2. | Total Outstanding dues to creditors other than Micro, Small & Medium Enterprises | 341 | 1607.51 |
| | **Total** | **341** | 1607.51 |

## MATERIAL DEVELOPMENTS

Except as stated in chapter titled *"Management's Discussion and Analysis of Financial Position and Results of Operation"* beginning on Page No. 160 of this Prospectus, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 (Twelve) months.

## GOVERNMENT AND OTHER APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further major approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority, or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. None of the subsidiaries of the Company are material subsidiaries of the Company.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, registrations, consents, permissions, and approvals obtained by the Company under various Central and State Laws from the Government and various other Government agencies required for carrying out its present business:*

### I. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Fresh Issue:

(a). The Board of Directors has, pursuant to resolution passed at its meeting held on February 10, 2022, authorized the Issue, subject to the approval by the Equity Shareholders of our Company under Section 23 and all other applicable provisions, if any, of the Companies Act. Subsequently, the Board of Directors approved this Prospectus at their meeting held on March 09, 2022.

(b). The Equity Shareholders of our Company have authorized the Issue, pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on February 12, 2022, under Section 23 and all other applicable provisions, if any, of the Companies Act.

(c). Our Company has obtained approval from EMERGE Platform of NSE by way of a letter dated June 06, 2022 to use the name of NSE in this Prospectus for listing of Equity Shares on the EMERGE Platform of NSE.

(d). NSDL/CDSL: ISIN No.: INE0KTW01013

Our Company has entered into an agreement dated February 24, 2022 with the Central Depository Services (India) Limited (**CDSL**) and the Registrar and Transfer Agent which in this case is KFin Technologies Limited, for the dematerialization of its shares. Further, our Company has entered into an agreement dated March 07, 2022 with the National Securities Depository Limited ("**NSDL**") and the Registrar and Transfer Agent which in this case is KFin Technologies Limited, for the dematerialization of its shares.

### II. APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS

#### A. Incorporation Related Approvals

| S. No. | Nature of Registration / License | Registration / License No. | Applicable Laws | Issuing Authority | Date of Issue | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Certificate of Incorporation as 'Veekayem Textile Mills Private Limited' | U17120MH1985PTC037516 | Issued under Companies Act, 2013 | Registrar of Companies, Mumbai | September 17, 1985 | June 29, 2018 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2. | Certificate of Incorporation as 'Veekayem Textile Mills Limited' | U17120MH1985PLC037516 | Issued under Companies Act, 2013 | Registrar of Companies, Mumbai | June 29, 2018 | October 29, 2018 |
| 3. | Certificate of Incorporation as 'Veekayem Fashion and Apparels Limited' | U17120MH1985PLC037516 | Issued under Companies Act, 2013 | Registrar of Companies, Mumbai | October 29, 2018 | Valid till cancelled |

## B. Taxation Related Approvals

| S. No | Nature of Registration/License | Registration/License No. | Applicable Laws | Issuing Authority | Date of Expiry |
|---|---|---|---|---|---|
| 1. | GST registration for Plot No. C/1 2305, Umbergaon, Valsad | 24AAACV3515G1ZP | Central Goods and Services Tax Act, 2017 and the Gujarat Goods and Services Tax Act, 2017 | Government of India | Valid till cancelled |
| 2. | Permanent Account Number (PAN) | AAACV3515G | Income Tax Act, 1961 | Income Tax Department | Valid till cancelled |
| 3. | Tax Deduction Account Number (TAN) | MUMM20949F | Income Tax Act, 1961 | Income Tax Department | Valid till cancelled |
| 4. | Enrolment certificate under Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 (For Employers) | E-350021248 | Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 and Gujarat State Tax on Professions, Trades, Callings and Employments Rules, 1976 | Commercial Tax Department, Gujarat | Valid till cancelled |
| 5. | Enrolment certificate under Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 (For Employees) | R-35002174 | Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 and Gujarat State Tax on Professions, Trades, Callings and Employments Rules, 1976 | Commercial Tax Department, Gujarat | Valid till cancelled |

## C. Labour Law Related & Other Approvals

| S. No | Nature of Registration/License | Registration/License No. | Applicable Laws | Issuing Authority | Date of Expiry |
|---|---|---|---|---|---|
| **Labour Law Related Approvals** | | | | | |
| 1. | License to work a factory under Factories Act, 1948 with respect to factory at Plot No. 277, Umbergaon, Valsad ("**Factory**") | Registration No. 1249/17118/2007 License No. 10137 | Gujarat Factories Rules 1963 formed under the Factories Act, 1948 | Directorate Industrial Safety and health, Gujarat State | December 31, 2022 |
| 2. | Registration under Employee Provident Fund | SRVAP0019202000 | Employee Provident Fund & Miscellaneous Provisions Act, 1952 | Employees Provident Fund Organisation | Valid till cancelled |
| 3. | Registration of Contractors under Contract Labour | VLS/2018/CLRA/61/33/2018 | Contract Labour (Regulation and Abolition) Act, 1970 | Labour Commissioner Office, Valsad | Valid till cancelled |
| **Environmental Law Related Approvals** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 4. | Consent to establish with respect to Factory | Consent Order No. WH-32819 | Section 25 of the Water (Prevention & Control) Act, 1981, Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 5 of the Hazardous waste (Management & Handling & Transboundary Movement) Rules, 2008 | Gujarat Pollution Control Board | September 30, 2028 |
| **Other Approvals** | | | | | |
| 5. | Certificate of Registration under the Udyam Registration Portal | UDYAM-GJ-25-0003264 | Micro, Small and Medium Enterprises Development Act, 2006 | Ministry of Micro, Small and Medium Enterprises | Valid till cancelled |
| 6. | No Objection Certificate / Approval from the Chief Fire Officer with respect to Factory | Ref No. NAO/SRG/FIRE/CERT/8625 | Gujarat Fire Prevention and Life Safety Measures Act, 2013 | Chief Officer, Notified Area, GIDC, Sarigam | September 30, 2022 |
| 7. | Certificate of Importer-Exporter Code (IEC) | 0300010958 | Foreign Trade (Development and Regulation) Act, 1992 | Directorate General of Foreign Trade, Office of the Additional Director General of Foreign Trade, Mumbai, Ministry of Commerce | Valid till cancelled |
| 8. | Certificate of Contract Labour | VLS/2018/CLRA/61/33/2018 | Contract Labour (Regulation and Abolition) Act, 1970 | Asst. Labour Commissioner office | Valid till cancelled |

D. **Intellectual Property Related Approvals**

| S. No | Nature of Registration/License | Registration/License No. | Status | Applicable Laws | Issuing Authority |
|---|---|---|---|---|---|
| 2. | Registration of Trademark under Class 25<br>VELAMEN | 2190898 | Registered | Trademarks Act, 1999 | Registrar of Trademarks |

## III. Material Licenses/approvals for which our Company has applied / Statutory Approvals / Licenses required

| S. No. | Nature of Registration/Approval |
|---|---|
| 1. | The Company on January 05, 2022 has applied for the change in name of the Company from 'Veekayem Textiles Mills Pvt. Ltd' to 'Veekayem Fashion and Apparels Limited' with the Regional Provident Fund Commissioner pursuant to change in its name. |
| 2. | The Company submitted a letter to Gujarat Industrial Development Corporation, Umargam as received by Gujarat Industrial Development Corporation, Umargam on 17.02.2022 for the purpose of<br>(a) changing the name of the Company to 'Veekayem Fashion & Apparels Ltd.' in the water bill generated in the name of Company; and For obtaining No objection certificate for ground water extraction for Company's factory unit both are still pending till the date of this prospectus. |
| 3. | The Company on May 23, 2022 has applied for the change in name on Enrollment Certificate issued under Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 with Assistant Tax Commissioner, Vapi, and Gujarat. |
| 4. | Enrolment Certificate and Registration certificate dated June 06, 2022 under Maharashtra State Tax on Professions, Trades, Callings and Employments Acts, 1975. |

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for the Issue**

This Issue in terms of this Prospectus has been authorized by the Board of Directors pursuant to a resolution dated February 10, 2022 and by the shareholders pursuant to a special resolution in an EGM held on February 11, 2022 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the EMERGE Platform of National Stock Exchange of India Limited for using its name in this Prospectus pursuant to letter dated June 06, 2022. NSE is the Designated Stock Exchange.

**Prohibition by the SEBI or other Governmental Authorities**

Our Company, our Promoters, our Promoter Group, our Directors, Person in control of our Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

**Association with Securities Market**

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

**Prohibition by RBI**

Neither our Company, our subsidiary, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter *"Outstanding Litigations and Material Development"* beginning on Page No. 170 of this Prospectus.

**Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of this Prospectus.

**Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue.

Our Company is eligible for the Issue in accordance with the Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue is 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled *"General Information"* beginning on Page No. 47 of this Prospectus.

2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

3. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, we will file Draft Prospectus with SEBI as well as stock exchange (s). However, Board shall not issue any observation pursuant to Regulation 246(2) of the SEBI (ICDR) Regulations.

4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the LM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled *"General Information"* beginning on Page No. 47 of this Prospectus.

5. The Post Issue paid up capital of the company will be less than ₹ 25 Crore.

6. The Company has combined track record of more than 3 years.

7. The Company has positive operating profit (earnings before interest, depreciation and tax) from operations in atleast 2 out of 3 financial years preceding the filing of this Prospectus.

8. The Net-worth of our Company is Positive as per latest audited financial statement.

9. Our Company's net worth and operating profit (earnings before interest, depreciation and tax) from operations, based on the Restated Standalone Financial Statements included in this Prospectus as at Fiscals ended March 31, 2022 and March 31, 2021,and March 31, 2020 are set forth below:

*(Amount in lacs)*

| Particulars | March 31,2022 | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| Net Worth | 3095.28 | 2,904.90 | 2,869.65 |
| Operating Profit | 1032.71 | 965.26 | 1,041.28 |

*(i) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.*

*(ii) Operating Profit has been defined as the Earnings before interest, depreciation and tax from operations.*

10. The Company will mandatorily facilitate trading in demat securities and have entered into agreement with both the depositories.

11. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

12. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

13. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.

14. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

15. Our Company has a website i.e. www.vkmgroups.com

**Other Disclosures**:

1) We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in this Prospectus.

2) There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. Except as mentioned in this Prospectus, an auditor's certificate will be provided by the issuer to the exchange, in this regard.

3) We have disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter *"Outstanding Litigation and Material Developments"* beginning on Page No. 170 of this Prospectus.

4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter *"Outstanding Litigation and Material Developments"* beginning on Page No. 170 of this Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus and this Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the EMERGE Platform of National Stock Exchange of India Limited. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated March 07, 2022 with NSDL and agreement dated February 24, 2022 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is to meet working capital requirements, general corporate purpose and issue expenses, for details, please refer the chapter *"Objects of the Issue"* beginning on Page No. 72 of this Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
b) Neither our Company nor our Promoters or Directors is a wilful defaulter.
c) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT**

**TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS / PROSPECTUS. THE LEAD MERCHANT BANKER, GYR CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. 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 ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GYR CAPITAL ADVISORS PRIVATE LIMITED SHALL FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 29, 2022.**

**THE FILING OF THIS PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS PROSPECTUS.**

*Note:*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of this Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act,*

**Disclaimer from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (GYR Capital Advisors Private Limited) and our Company on February 21, 2022 and the Underwriting Agreement dated June 16, 2022 entered into between the Underwriter(s) and our Company and the Market Making Agreement dated June 16, 2022 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

**Disclaimer in Respect of Jurisdiction**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), NBFCSIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of

the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Mumbai, 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 this Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the 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 Securities Act and applicable U.S. state securities laws.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Applicants are advised to ensure that any Applications from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Applicant where required must agree in the Allotment Advice that such Applicants will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

**Disclaimer Clause of the EMERGE Platform of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1580 dated June 06, 2022, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**Filing**

This Prospectus is being filed with National Stock Exchange of India Limited at Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai, Maharashtra, India – 400 051.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of this Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on this Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of this Prospectus and Prospectus will be filed online through SEBI Intermediary portal at https://siportal.sebi.gov.in.

A copy of this Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Mumbai at 100, Everest Building, Netaji Subhash Road, Marine Drive, Mumbai, Maharashtra, India – 400 002.

**Listing**

Application will be made to the National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of National Stock Exchange of India Limited has given its in-principle approval for using its name in our Offer documents vide its letter June 06, 2022.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

**Consents**

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been be obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Our Company has received written consent dated July 27, 2022 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated July 27, 2022 on our restated financial information; and (ii) its report dated July 27, 2022 on the statement of special tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

**Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Prospectus except as disclosed in this Prospectus.

**Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled *"Capital Structure"* beginning on Page No. 57 of this Prospectus.

**Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

**Particulars in regard to our Company and other listed group-companies / subsidiaries / associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies / Subsidiaries and Associates of our Company**

Except as stated in the chapter titled *"Capital Structure"* beginning on Page No. 57 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies / Entities or associates of our Company are listed on any stock exchange.

**Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

As of date of this Prospectus, our Company does not have any Group / Associate.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

**Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on February 09, 2022. For further details on the Stakeholders Relationship Committee, please refer to section titled *"Our Management"* beginning on Page No. 135 of this Prospectus.

**Our Company has appointed Gopika Singh Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Gopika Singh**
113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road,
Goregaon East, Mumbai, Mahrashtra, India – 400 063
**Telephone:** +91 022 4035 1481
**E-mail:** cs@vkmgroups.biz

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "**SCORES**". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

**Status of Investor Complaints**

We confirm that we have not received any investor compliant during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

**Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

**Price Information of past issues handled by the Lead Manager**

| Sr. No. | Issue Name | Issue size (Rs. In Cr.) | Issue Price (Rs.) | Listing date | Opening price on listing date | +/- % change in Price on closing price, [+/- % change in closing benchmark]- 30th calendar days from listing* | | +/- % change in Price on closing price, [+/- % change in closing benchmark]- 90th calendar days from listing* | | +/- % change in Price on closing price, [+/- % change in closing benchmark]- 180th calendar days from listing* | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Naapbooks Limited | 3.99 | 74 | 15.09.2021 | 77.00 | -16.22% | 4.40% | -29.73% | -1.59% | -18.78% | -3.80% |
| 2. | Ascensive Educare Limited | 2.25 | 26 | 12.01.2022 | 27.60 | -1.31% | -1.50% | -30.00% | -4.20% | - | - |
| 3. | Achyut Healthcare Limited | 3.60 | 20 | 30.03.2022 | 21.15 | 0.00% | -2.77% | -0.94% | -9.38% | - | - |
| 4. | Dhyaani Tile and Marblez Limited | 2.45 | 51 | 12.04.2022 | 52.25 | 19.61% | -9.64% | 69.00% | -7.13% | - | - |

* Companies have been listed on September 15, 2021, January 01, 2021, March 30, 2022 and April 12, 2022 hence not applicable

**Summary Statement of Disclosure**

| Financial Year | Total no. of IPOs | Total Funds Raised (Rs. in Cr.) | Nos. of IPOs trading at discount - 30th calendar day from listing day | | | Nos. of IPOs trading at premium - 30th calendar day from listing day | | | Nos. of IPOs trading at discount - 180th calendar day from listing day* | | | Nos. of IPOs trading at premium - 180th calendar day from listing day* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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% |
| 2021-2022 | 3 | 9.84 | - | - | 2 | - | - | 1 | - | - | 1 | - | - | - |
| 2022-2023 | 1 | 2.45 | - | - | - | - | - | 1 | - | - | - | - | - | - |

* Companies have been listed on September 15, 2021, January 01, 2021 and March 30, 2022 hence not applicable

***Notes:***

1. *In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.*
2. *Source: www.bseindia.com*

**Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer the website of Lead Manager at www.gyrcapitaladvisors.com

## SECTION VII – ISSUE INFORMATION

## TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018 , our Memorandum and Articles of Association, the terms of this Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices 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, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

For details in relation to Issue expenses, please refer to the chapters titled *"Objects of the Issue"* and *"Other Regulatory and Statutory Disclosures"* beginning on Page Nos. 72 and 178, respectively of this Prospectus.

**Authority for the Issue**

The present Public Issue of 15, 84,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on February 10, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on February 11, 2022 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

**Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled "*Description of Equity Shares and terms of the Articles of Association*" beginning on Page No. 247 of this Prospectus.

**Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to chapter titled *"Dividend Policy"* beginning on Page No. 153 of this Prospectus.

**Face Value and Issue Price**

The Equity Shares having a face value of ₹10/- each are being offered in terms of this Prospectus at the price of ₹ 28/- per equity Share (including premium of ₹ 18/- per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled *"Basis for Issue Price"* beginning on Page No. 77 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

**Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled "*Description of Equity Shares and terms of the Articles of Association*" beginning on Page No. 247 of this Prospectus.

**Allotment only in Dematerialised Form**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated March 07, 2022 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated February 24, 2022 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

**Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 4,000 Equity Shares and is subject to a minimum allotment of 4,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

**Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

**Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in 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 of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

**Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

**Period of Operation of Subscription List of Public Issue**

| | |
|---|---|
| **ISSUE OPENS ON** | Friday, August 05, 2022 |
| **ISSUE CLOSES ON** | Thursday, August 11,2022 |

**Minimum Subscription**

*In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through this Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.*

As per section 39 of the Companies Act 2013, if the "stated minimum amount" has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 4,000 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

**Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

**Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre-Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the chapter titled *"Capital Structure"* beginning on Page No. 57 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer Section titled *"Description of Equity Shares and terms of the Articles of Association"* beginning on Page No. 247 of this Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations,*

*which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

**Allotment of Securities in Dematerialised Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

**Migration to Main Board**

Our company may migrate to the Main board of National Stock Exchange of India Limited from SME Exchange on a later date subject to the following:

- If the Paid up Capital of our Company is likely to increase above ₹ 2,500 lacs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid up Capital of our company is more than ₹ 1,000 lacs but below ₹ 2,500 lacs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

**Market Making**

The shares offered through this Issue are proposed to be listed on the EMERGE Platform of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the EMERGE Platform of NSE. For further details of the agreement entered into between the Companies, the Lead Manager and the Market Maker please refer to *"General Information - Details of the Market Making Arrangements for this Issue"* on Page No. 47 of this Prospectus.

**New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are

only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than and equal to ₹10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled *"Terms of the Issue"* and *"Issue Procedure"* beginning on Page No. 187 and 196, respectively of this Prospectus.

The Issue comprise of a Public Issue of 15,84,000 Equity Shares of Face Value of ₹10/- each fully paid (The "**Equity Shares**") for cash at a price of ₹ 28/- per Equity Shares *(including a premium of ₹18/- per Equity Share)* aggregating to ₹ 443.52 lacs (*"the issue"*) by our Company of which 80,000 Equity Shares of ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 15,04,000 Equity Shares of ₹10/- each is hereinafter referred to as the Net Issue. The Issue and the Net Issue will constitute 26.96% and 25.60% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|---|---|---|
| Number of Equity Shares available for allocation | 15,04,000 Equity Shares | 80,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.95% of the Issue Size | 5.05% of the Issue Size |
| Basis of Allotment | Proportionate subject to minimum allotment of 4,000 Equity Shares and further allotment in multiples of 4,000 Equity Shares each. For further details please refer to chapter titled "*Issue Procedure"* beginning on Page No. 196 of this Prospectus. | Firm Allotment |
| Mode of Application | All the applications shall make the application (Online or Physical) through ASBA Process Only | Through ASBA Process Only |
| Mode of Allotment | Compulsorily in dematerialized form. | Compulsorily in dematerialized form. |
| Minimum Application Size | **For Other than Retail Individual Investors:**<br>Such number of Equity Shares in multiples of 4,000 Equity Shares at an Issue price of ₹ 28/- each, such that the Application Value exceeds ₹ 2,00,000/-.<br><br>**For Retail Individuals Investors:**<br>4,000 Equity Shares at an Issue price of ₹ 28/- each | 80,000 Equity Shares |
| Maximum Application Size | **For Other than Retails Individual Investors:**<br>The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. | 80,000 Equity Shares |

| | | |
|---|---|---|
| | **For Retail Individuals Investors:** Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/- | |
| Trading Lot | 4,000 Equity Shares | 4,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| Application lot Size | 4,000 Equity Shares thereafter Equity Shares and in multiples of 4,000 Equity Shares | |
| Terms of Payment | The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form | |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to the chapter titled *"Issue Structure"* beginning on Page No. 193 of this Prospectus.

*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' in the net offer to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investors; and
b) Remaining to
   (i) Individual Applicant other than retail Individual Investors; and
   (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

***If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.***

**Withdrawal of the Issue**

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

**Issue Programme:**

| | |
|---|---|
| **ISSUE OPENING DATE** | Friday, August 05, 2022 |
| **ISSUE CLOSING DATE** | Thursday, August 11,2022 |

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

a) A standard cut-off time of 3.00 p.m. for acceptance of applications.

b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.

c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants shall review the "General Information Document for Investing in Public Issues" prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars ("General Information Document"), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI through UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (**UPI**) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019

, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (**"UPI Phase I"**). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020.Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("UPI Phase III"), as may be prescribed by SEBI. Accordingly, the Offer has been undertaken under UPI Phase II, till any further notice issued by SEBI.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by National Stock Exchange of India Limited ("NSE") to act as intermediaries for submitting Application Forms are provided on www.nseindia.com. For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE.

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 and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application 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 Draft Prospectus and this Prospectus.

This section applies to all the Applicants.

**FIXED PRICE ISSUE PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI (ICDR) Regulations, 2018, 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 under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

**PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR**

SEBI has issued UPI Circular in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through

intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Lead Manager.

**Electronic registration of Bids**

a) The Designated Intermediary registered the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
b) On the Bid/Offer Closing Date, the Designated Intermediaries uploaded the Bids till such time as were permitted by the Stock Exchanges and as disclosed in this Prospectus.
c) Only Bids that are uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

**AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. An electronic copy of the Application Form will also be available for download on the website of the Stock Exchange (NSE Limited) i.e. www.nseindia.com at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be

rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

The prescribed colour of the Application Form for various categories is as follows:

| **Category** | **Colour of Application Form*** |
|---|---|
| Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis | Blue |

**excluding electronic Application Forms downloaded by the Applicants.*

**SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS**

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

i. An SCSB, with whom the bank account to be blocked, is maintained
ii. A syndicate member (or sub-syndicate member)
iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
iv. A depository participant ("DP") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
v. A registrar to an issuer and share transfer agent ("RTA") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the applicants has a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six

months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, "printouts" of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|---|---|
| **For Applications submitted by investors to SCSB:** | After accepting the form submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| **For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:** | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer. |
| **For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment** | After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).<br><br>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.<br><br>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account. |

Stock exchange(s) shall validate the electronic application details with depository's records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

**WHO CAN APPLY?**

**As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government**

**Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

**Subject to the above, an illustrative list of Applicants is as follows:**

a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);

b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;

c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

d) QIBs;

e) Mutual Funds registered with SEBI;

f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);

h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;

i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;

k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;

l) Foreign Venture Capital Investors registered with the SEBI;

m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;

n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;

p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold

and invest in equity shares;

q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

s) Insurance funds set up and managed by army, navy or air force of the Union of India;

t) Multilateral and bilateral development financial institution;

u) Eligible QFIs;

v) Insurance funds set up and managed by army, navy or air force of the Union of India;

w) Insurance funds set up and managed by the Department of Posts, India;

x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

***The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.***

**PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category 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 Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

**APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depositary), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

**APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the 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 share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications, provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

**APPLICATIONS BY ELIGIBLE NRIS ON REPATRIATION BASIS**

**ELIGIBLE NRIS APPLYING ON A REPATRIATION BASIS ARE ADVISED TO USE THE APPLICATION FORM MEANT FOR NON-RESIDENTS (BLUE IN COLOUR).**

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application on a repatriation basis by using the Non Resident Forms, should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) or ASBA Accounts.

**Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.**

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

**APPLICATIONS BY ELIGIBLE FPIs INCLUDING FIIs ON REPATRIATION BASIS**

**FPIs INCLUDING FIIs WHO WISH TO PARTICIPATE IN THE ISSUE ARE ADVISED TO USE THE APPLICATION FORM FOR NON- RESIDENTS (BLUE IN COLOUR).**

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of FEMA Act, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.

3. In respect of investments in the secondary market, the following additional conditions shall apply:

   (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;

   (b). Nothing contained in clause (a) shall apply to:

      i. Any transactions in derivatives on a recognized stock exchange;
      ii. Short selling transactions in accordance with the framework specified by the Board;
      iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
      iv. Any other transaction specified by the Board.

   (c). No transaction on the stock exchange shall be carried forward;

   (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;

      Provided nothing contained in this clause shall apply to:

      i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
      ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;

iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
vi. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
viii. Any other transaction specified by the Board.

(e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.

5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.

6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

(a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;

(b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.

17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

18. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

**APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

The holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 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 Regulations shall continue to be regulated by the VCF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

**APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

**APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

(a.) Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b.) The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c.) The industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

**APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

a.) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

c.) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

d.) With respect to Applications 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 Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form , subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

***The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

**INDICATIVE PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE**

**ASBA PROCESS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

**CHANNELS OF SUBMISSION OF APPLICATION FORMS**

From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

| Category of Investor | Channel I | Channel II | Channel III | Channel IV |
|---|---|---|---|---|
| Retail Individual Investor (RII) | Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.<br><br>For such applications the existing process of | Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers. | Not Applicable | RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds. |
| Non- Institutional | | | Investor may submit | Not Applicable |

| Category of Investor | Channel I | Channel II | Channel III | Channel IV |
|---|---|---|---|---|
| Investor (NII) including Qualified Institutional Buyer (QIB) | uploading the Application and blocking of finds in the RIIs account by the SCSB would continue. | | the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.<br><br>For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds. | |

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such Applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Applications and shall not upload such Applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each Application into the electronic bidding system as a separate Application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

The Application Amount shall 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/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be.

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

**PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE SUBMITTED BY RETAIL INDIVIDUAL INVESTOR**

In addition to application to be submitted to SCSB, with whom the bank account to be blocked, is maintained, a RII would also have the option to submit application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds with effect from January 01, 2019.

The detailed process in this regard is as detailed hereunder:

**Application and validation process**

(a). submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a

maximum length of 45 characters including the handle (Example: InvestorID@bankname).

(b). RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.

(c). The intermediary upon receipt of form will upload the Application details along with UPI ID in the stock exchange bidding platform.

(d). Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.

(e). Depository will validate the aforesaid Application details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

(f). SMS from exchange to RII for applying: Once the Application details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of applying, the SMS may be sent out the next working day.

**The Block Process**

(a). Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the Application details along with RIIs UPI ID, with the Sponsor Bank appointed by the issuer.

(b). The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment. For all pending UPI Mandate Requests, the Sponsor Bank will initiate requests for blocking of funds in the ASBA Accounts of relevant investors with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date **("Cut-Off Time").** Accordingly, RIIs using the UPI Mechanism need to accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests after the Cut-Off Time will lapse.

(c). The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / Mobile app, associated with UPI ID linked bank account.

(d). The RII would be able to view the amount to be blocked as per his / her Application in such intimation. The RII would also be able to view an attachment wherein the IPO Application details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.

(e). Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs' bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.

(f). The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary.

(g). The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

(h). RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue period. For each such modification of Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

Post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**NUMBER OF APPLICATIONS PER BANK ACCOUNT**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

**HOW TO APPLY?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

**MODE OF PAYMENT**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by applicant and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 and all related circulars issued thereafter, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In case of applications made by using any of channels under UPI Payments Mechanism, post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor

Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

The RTA, based on information of Applications and blocking received from stock exchange, would undertake reconciliation of the Applications data and block confirmation corresponding to the Applications by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

**UNBLOCKING OF ASBA ACCOUNT**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

In case of applications made by using any of channels under UPI Payments Mechanism, Registrar to the Issue will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

However, the Application Amount may be unblocked in the ASBA Account or Bank Account link in UPI Mechanism prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application or Application made through UPI Mechanism, as the case may be.

**MAXIMUM AND MINIMUM APPLICATION SIZE**

The applications in this Issue, being a fixed price issue, will be categorized into two;

**1. For Retail Individual Applicants**

The Application must be for a minimum of 4,000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000/-.

**2. For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of 4,000 Equity Shares so as to ensure that the Application Amount exceeds ₹ 2,00,000/- and in multiples of 4,000 Equity Shares thereafter.

A person shall not make an application in the net Issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2, 00,000/- for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.**

**OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

**Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

**INFORMATION FOR THE APPLICANTS**

a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.

b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.

c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.

d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.

e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

**PRE-ISSUE ADVERTISEMENT**

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper; one widely circulated Hindi national daily newspaper and one widely circulated Marathi newspaper.

**SIGNING OF UNDERWRITING AGREEMENT**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Underwriter on June 16, 2022.

**FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

**INFORMATION FOR THE APPLICANTS**

**a.) Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

**b.) Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload it on its website. On the basis of approved basis of allotment, the Issuer shall make necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

**c.)** Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

**d.)** Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 5 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within two working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 5 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

**INTEREST AND REFUNDS**

**COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

**GROUNDS FOR REFUND**

**NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In case, our Company fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, our Company shall refund through verifiable means the entire monies received within

seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities. The Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. Per annum.

**MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this Prospectus including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies Act, 2013.

**MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

**MODE OF REFUND**

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs or in case of Applications by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount in ASBA Accounts of unsuccessful Applicants and also for any excess amount blocked on Applications.

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 Applications or in the event of withdrawal or failure of the Issue.

**LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBS**

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the Sponsor Bank or relevant SCSBs to, on the receipt of such instructions from the Registrar, revoke the mandate and for unblocking the amount in ASBA Accounts to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 6 Working Days of the Issue Closing Date.

**INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. Per annum if the allotment letters or refund orders have not been despatched to the applicants 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 within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.

2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

**GENERAL INSTRUCTIONS**

**Do's:**

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicants in case of joint Applications, is included in the Application Forms;
- QIBs, Non-Institutional Applicants and the Retail Applicants should submit their Applications through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their Application by using UPI mechanism for payment.
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicants whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application;
- Ensure that you have funds equal to the Application Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;

- Ensure that in case of Application under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not make Application on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not make Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not make Application for Application Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Net 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 Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit Application on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicants;
- Do not submit Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not make Application if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not submit Application by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

**INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of NSE i.e. www.nseindia.com.

Applicants may note that forms not filled completely or correctly as per instructions provided in this Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the LM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

## A. INSTRUCTION FOR FILLING THE APPLICATION FORM

**COMMON APPLICATION FORM**

# XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Registered Office:
Tel. No.: Fax No. : Email: Website:
Contact Person: CIN:

**FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

**FIXED PRICE SME ISSUE**
**ISIN : XXXXXXX**

**Application Form No.**

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/CDP/RTA STAMP & CODE |
|---|---|
| | |
| **SUB-BROKER'S / SUB-AGENT'S STAMP & CODE** | **SCSB BRANCH STAMP & CODE** |
| | |
| **BANK BRANCH SERIAL NO.** | **SCSB SERIAL NO.** |
| | |

**1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT**

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE/FIRST APPLICANT**

**3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

**For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.**

**4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")**

**No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share**[1] ☐ **"Cut-Off" Price**

(In Figures) (In Words)

**ALLOTMENT WILL BE IN DEMAT MODE ONLY**[2]

[1] Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly.
[2] Please note that the equity shares on allotment will be alloted only in the dematerialized mode on the SME Platform of BSE.

**5. CATEGORY**

☐ **Retail Individual**
☐ **Non-Institutional**
☐ **QIB**

**6. INVESTOR STATUS**

| | |
|---|---|
| ☐ Individual(s) | - IND |
| ☐ Non- Resident Indians (Non- Repatriation Basis) | - NRI |
| ☐ Hindu Undivided Family* | - HUF |
| ☐ Bodies Corporate | - CO |
| ☐ Banks & Financial Institutions | - FI |
| ☐ Mutual Funds | - MF |
| ☐ National Investment Funds | - NIF |
| ☐ Insurance Funds | - IF |
| ☐ Insurance Companies | - IC |
| ☐ Venture Capital Funds | - VCF |
| ☐ Alternative Investment Funds | - AIF |
| ☐ Others (Please Specify) | - OTH |

*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)

**7. PAYMENT DETAILS** | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

**OR**
UPI Id
(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

| 8 A. SIGNATURE OF SOLE / FIRST APPLICANT | 8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) | SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System) |
|---|---|---|
| Date: ....., 2019 | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue<br>1)<br>2)<br>3) | |

TEAR HERE

LOGO

**XYZ LIMITED**
**INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA**

**Application Form No.**

DPID / CLID

PAN of Sole/First Applicant

Amount Blocked (₹ in figures) ASBA Bank & Branch

ASBA Bank A/c No./UPI Id

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile Email

TEAR HERE

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

| | In Figures | In Words |
|---|---|---|
| No. of Equity Shares | | |
| Amount Blocked (₹) | | |

**Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA**

**Name of Sole / First Applicant**

**Acknowledgement Slip for Applicant**

ASBA Bank A/c No. / UPI Id:

Bank & Branch:

**Application Form No.**

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

**XYZ LIMITED** 1

| COMMON APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR<br>Registered Office:<br>Tel. No.: Fax No. : Email: Website:<br>Contact Person: CIN: | FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS |
|---|---|---|

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

**FIXED PRICE SME ISSUE**
**ISIN : XXXXXXX**

Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/CDP/RTA STAMP & CODE |
|---|---|
| | |
| **SUB-BROKER'S / SUB-AGENT'S STAMP & CODE** | **SCSB BRANCH STAMP & CODE** |
| | |
| **BANK BRANCH SERIAL NO.** | **SCSB SERIAL NO.** |
| | |

**1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT**

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE/FIRST APPLICANT**

**3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

**For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.**

**4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")**

No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share[1] ☐ "Cut-Off" Price

(In Figures) (In Words)

**ALLOTMENT WILL BE IN DEMAT MODE ONLY**[2]

[1] Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly.
[2] Please note that the equity shares on allotment will be alloted only in the dematerialized mode on the SME Platform of BSE.

**5. CATEGORY**

- ☐ Retail Individual
- ☐ Non-Institutional
- ☐ QIB

**6. INVESTOR STATUS**

- ☐ Non-Resident Indians - NRI (Repatriation basis)
- ☐ Foreign Institutional Investor - FII/
- ☐ Foreign Portfolio Investor - FPI
- ☐ Foreign Venture Capital Investor - FVCI
- ☐ FII Sub Account Corporate / Individual - FIISA
- ☐ Others - OTH (please specify)

**7. PAYMENT DETAILS** | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

**OR**
UPI Id
(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

| 8 A. SIGNATURE OF SOLE / FIRST APPLICANT | 8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) | SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System) |
|---|---|---|
| Date: ....., 2019 | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue<br>1)<br>2)<br>3) | |

TEAR HERE

LOGO

**XYZ LIMITED**
**INITIAL PUBLIC ISSUE - NR**

**Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA**

Application Form No.

DPID / CLID

PAN of Sole/First Applicant

Amount Blocked (₹ in figures) ASBA Bank & Branch

ASBA Bank A/c No./UPI Id

Received from Mr./Ms.

Telephone / Mobile Email

Stamp & Signature of SCSB Branch

TEAR HERE

**XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**

| | In Figures | In Words |
|---|---|---|
| No. of Equity Shares | | |
| Amount Blocked (₹) | | |

Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

ASBA Bank A/c No. / UPI Id:

Bank & Branch:

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

**Name of Sole / First Applicant**

**Acknowledgement Slip for Applicant**

Application Form No.

**1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT:**

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

a.) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of 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 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.

b.) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

**2. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT:**

a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant 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 Applicant is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.

e.) Applications by Applicant 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.

**3. FIELD NUMBER 3: APPLICANT'S DEPOSITORY ACCOUNT DETAILS**

a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.

b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.

c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These

Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

**4. FIELD NUMBER 4: APPLICATION OPTIONS**

a.) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as ₹ 28/- per Equity Shares (including premium of ₹ 18/- per Equity share).

b.) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.

c.) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of 4,000 Equity Shares to ensure that the minimum Application value is not exceeding ₹ 2,00,000 and not less than ₹ 1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of 4,000 Equity Shares and in multiples of 4,000 Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹ 2,00,000.

d.) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

**Maximum and Minimum Application Size**

e.) The Applicants may apply for the desired number of Equity Shares in multiple of 4,000 Equity Shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for 4,000 Equity Shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹ 2,00,000/-.

In case the Application Amount exceeds ₹ 2,00,000/- due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.

For NRIs, Application Amount of up to ₹ 2,00,000/- may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹ 2,00,000/- may be considered under the Non-Institutional Category for the purposes of allocation.

f.) Application by QIBs and NIIs must be for 4,000 Equity Shares such that the Application Amount exceeds ₹ 2,00,000/- and in multiples of 4,000 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. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.

g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.

h.) In case the Application Amount reduces to ₹ 2,00,000/- or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

i.) An Application cannot be submitted for more than the net issue size.

j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

**Multiple Applications**

k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.

l.) Applicants are requested to note the following procedures that 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, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.

ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.

m.) **The following Applications may not be treated as multiple Applications:**

i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the 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 Application 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.

**5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

a.) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.

c.) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.

d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

**6. FIELD NUMBER 6: INVESTOR STATUS**

a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.

b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.

d.) Applicants should ensure that their investor status is updated in the Depository records.

**7. FIELD NUMBER 7: PAYMENT DETAILS**

a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.

b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.

c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.

d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.

e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.

f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

**Payment instructions for Applicants (other than Anchor Investors)**

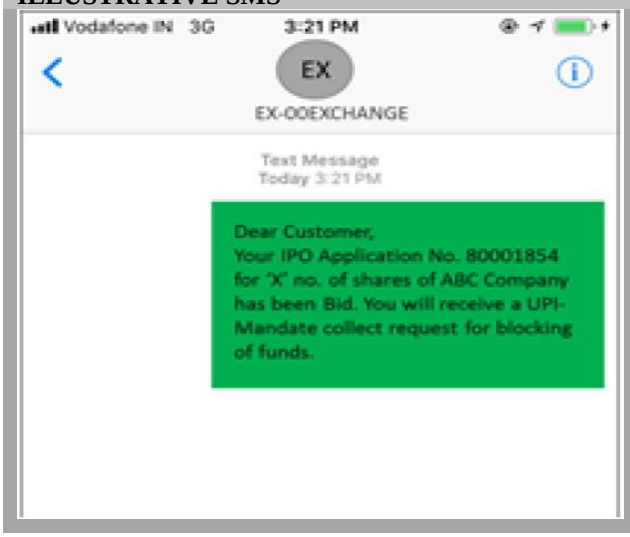
a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

<table>
<tr><th>Category of Investor</th><th>Channel I</th><th>Channel II</th><th>Channel III</th><th>Channel IV</th></tr>
<tr><td>Retail Individual Investor (RII)</td><td rowspan="2">Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.<br><br>For such applications the existing process of uploading the Application and blocking of finds in the RIIs account by the SCSB would continue.</td><td rowspan="2">Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.</td><td></td><td>RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.</td></tr>
<tr><td>Non- Institutional Investor (NII)</td><td>Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.<br><br>For such applications the Designated Intermediary will upload the Application in the</td><td>Not Applicable</td></tr>
</table>

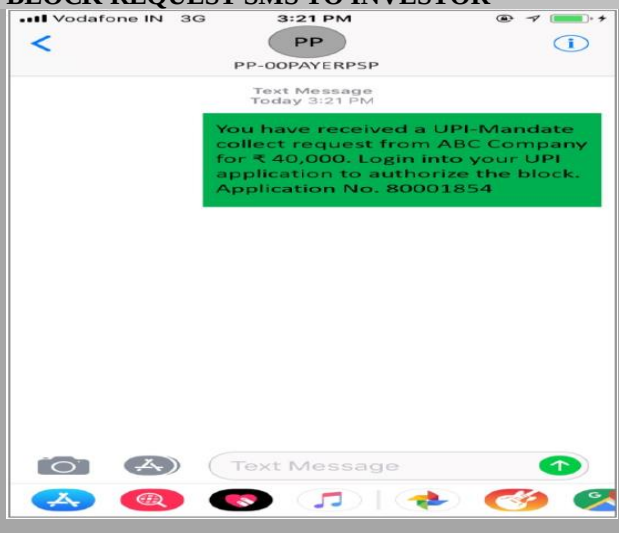
| Category of Investor | Channel I | Channel II | Channel III | Channel IV |
|---|---|---|---|---|
| | | | stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds. | |

Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

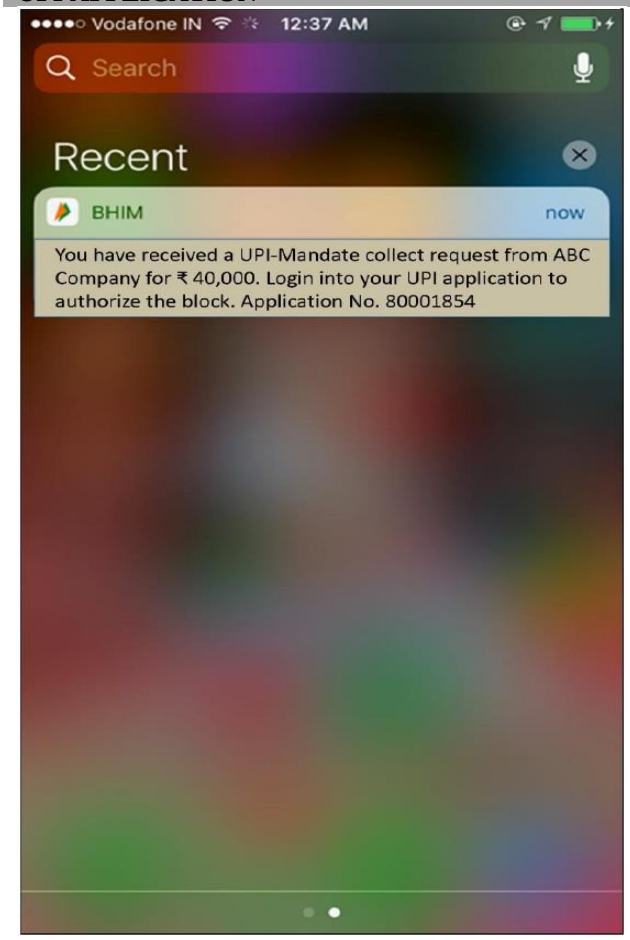
**ILLUSTRATIVE SMS**



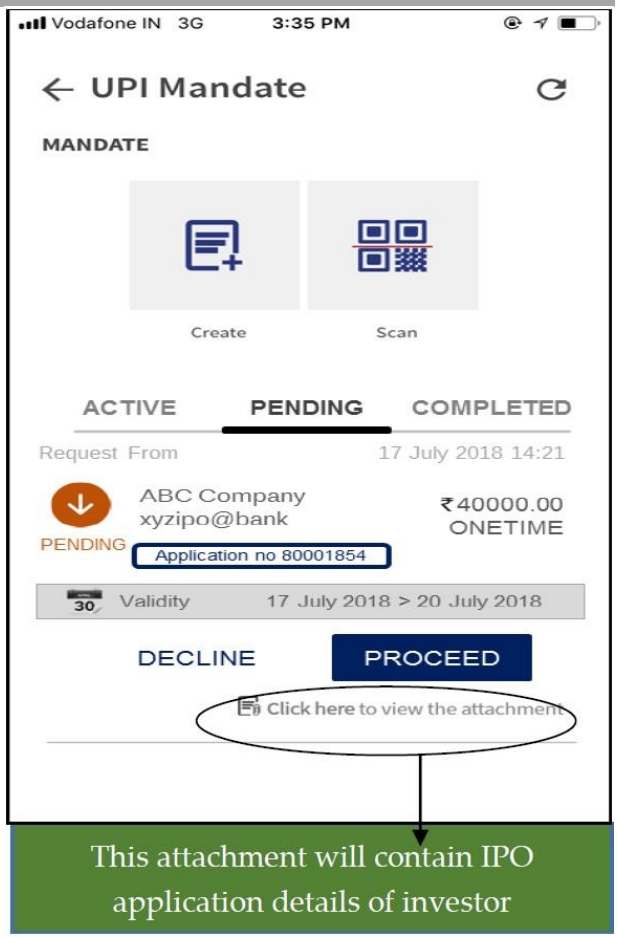

**BLOCK REQUEST SMS TO INVESTOR**



**BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION**



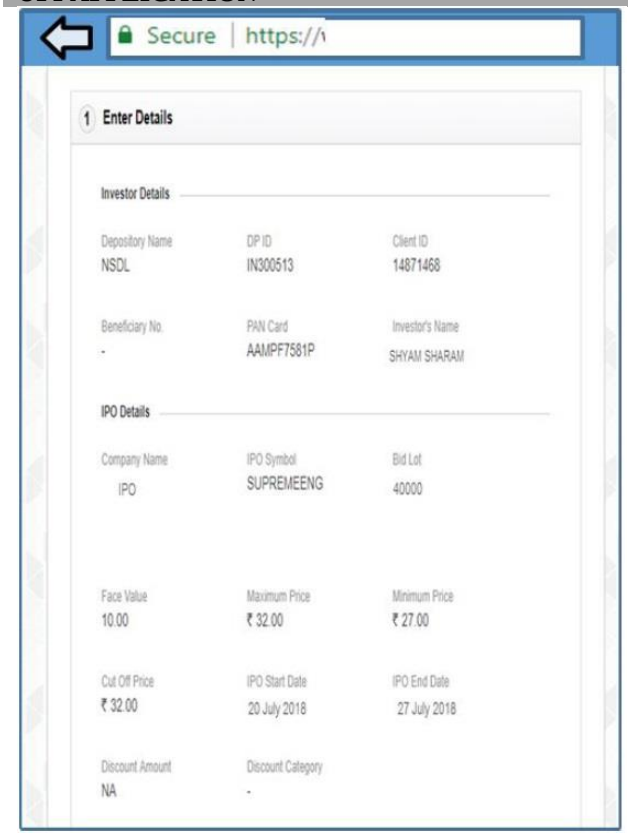

**BLOCK REQUEST SMS TO INVESTOR**

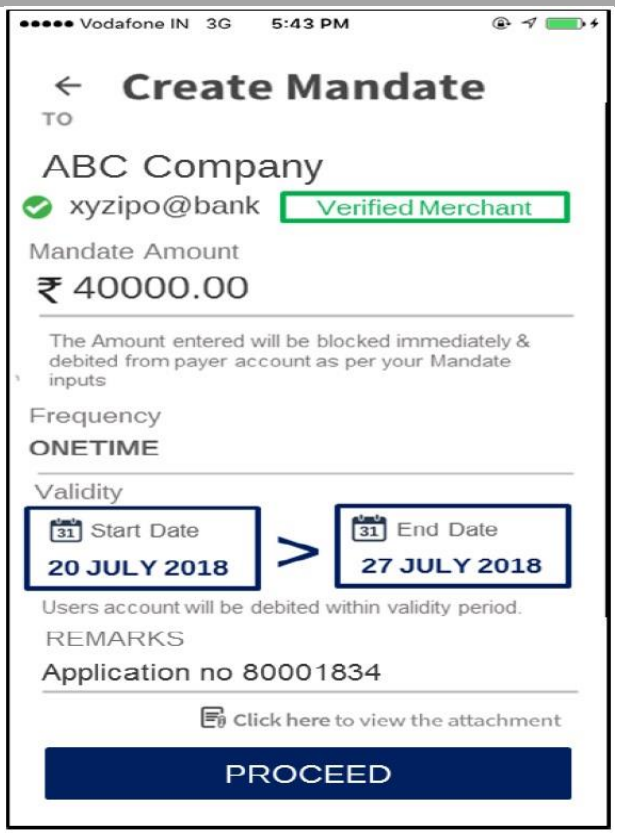


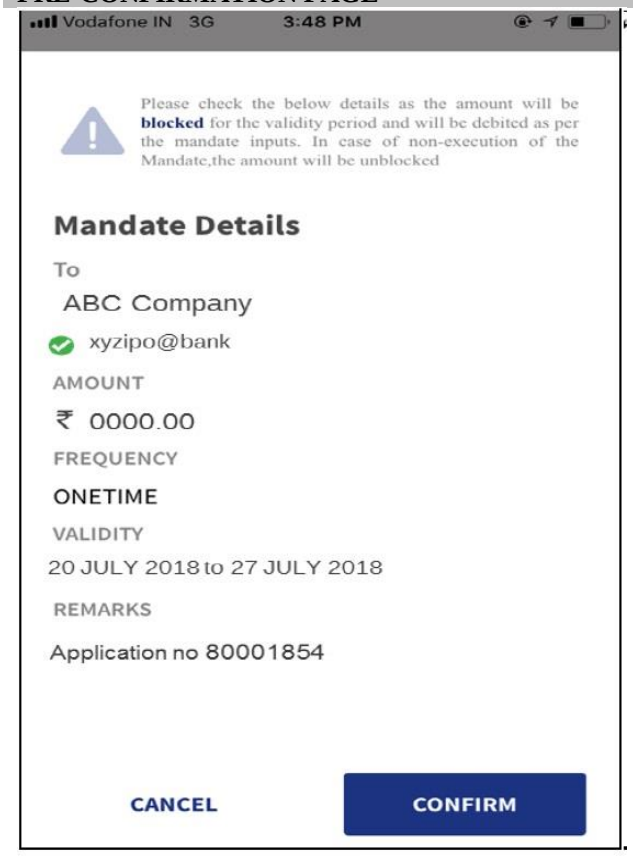
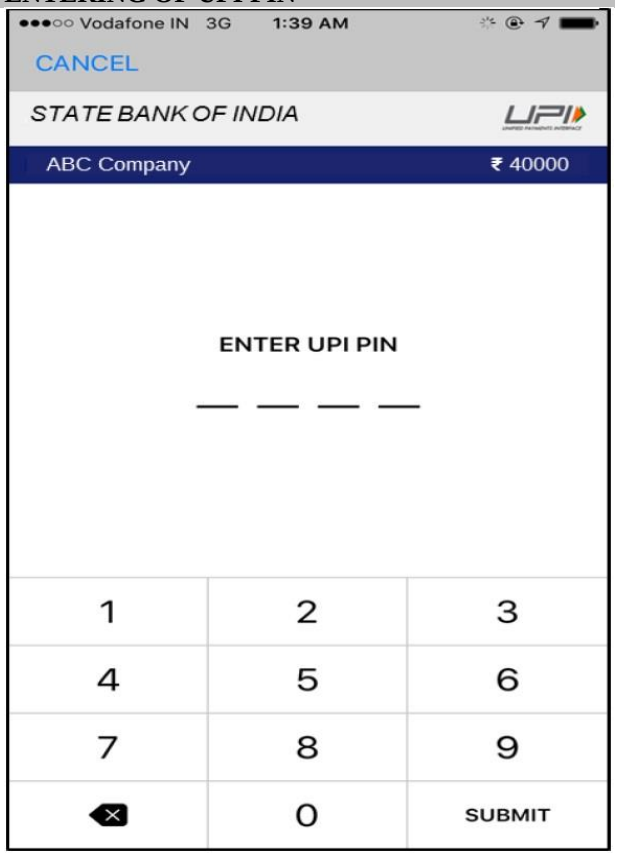

**SAMPLE OF IPO DETAILS IN ATTACHMENT**

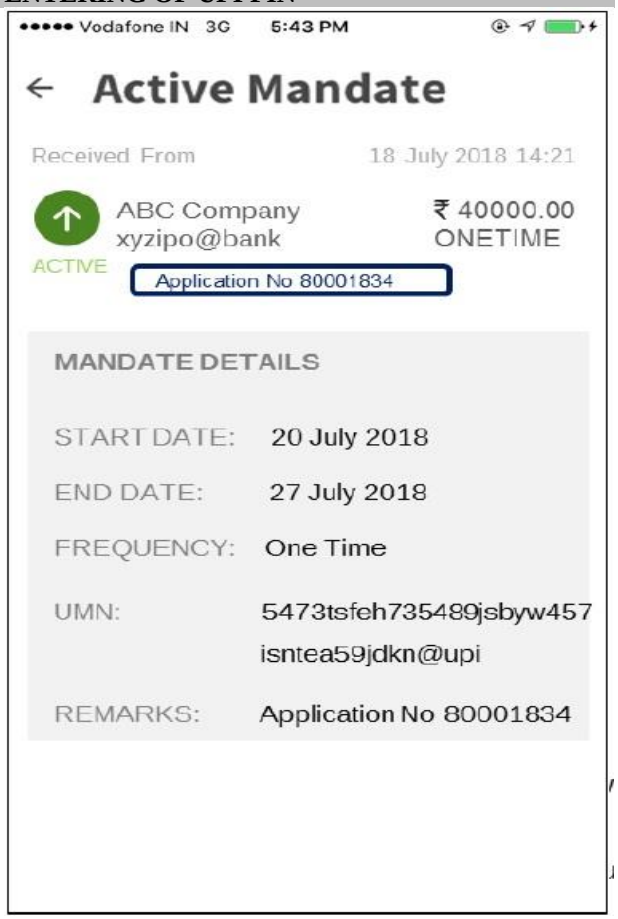
**POST VERIFICATION OF DETAILS ABOVE**

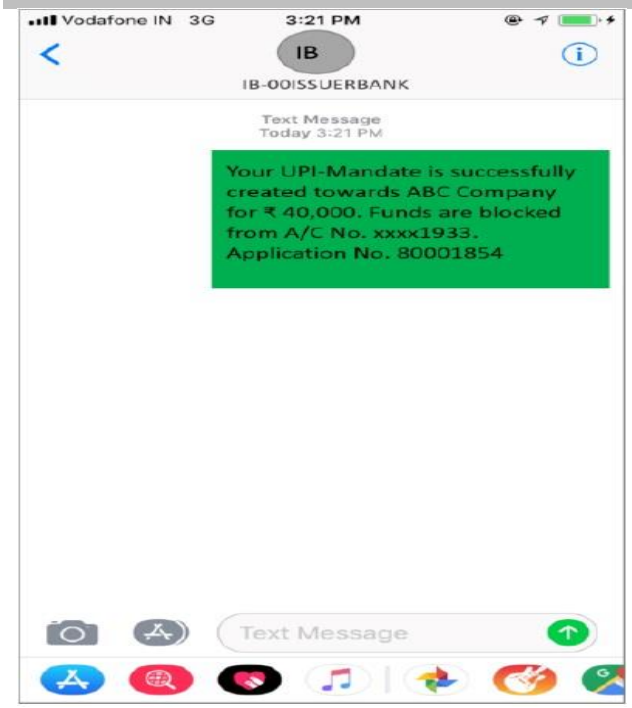
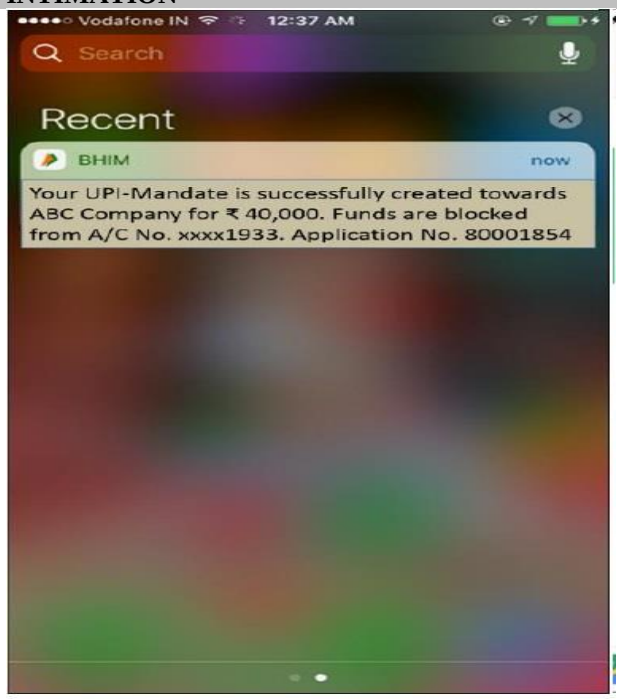
**BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION**



| PRE-CONFIRMATION PAGE | ENTERING OF UPI PIN |
| --- | --- |
|  |  |
| **CONFIRMATION PAGE** | **APPROVED MANDATES VISIBLE IN UPI APPLICATION** |

| PRE-CONFIRMATION PAGE | ENTERING OF UPI PIN |
| --- | --- |
|  |  |

| BLOCK CONFIRMATION SMS TO INVESTOR | BLOCK CONFIRMATION APPLICATION INTIMATION |
|---|---|
|  |  |





b.) QIB and NII Applicants may submit the Application Form either;

i. to SCSB in physical or 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 Application Form, or

ii. in physical mode to any Designated Intermediary.

c.) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.

d.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.

e.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.

f.) Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, and the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.

g.) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

h.) **Applicants making application 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.

i.) 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.

j.) 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 for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.

k.) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.

l.) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) 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. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).

m.) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

n.) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

**8. FIELD NUMBER 8: UNBLOCKING OF ASBA ACCOUNT**

a.) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA 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 ASBA 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, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.

b.) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants 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 or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

**Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism**

d.) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

e.) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

f.) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.

g.) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.

h.) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.

i.) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.

j.) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.

k.) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and Subsequent debit in case of allotment.

l.) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.

m.) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.

n.) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.
o.) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**Discount: NOT APPLICABLE**

**Additional Payment Instruction for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

**9. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS**

a.) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

b.) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the 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 application amount mentioned in the Application Form.

c.) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.

**10. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

a.) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.

b.) All communications in connection with Application made in the Issue should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.

ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.

iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.

iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.

v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker

vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.

vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.

viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;

c.) The following details (as applicable) should be quoted while making any queries –

i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.

ii. name and address of the Designated Intermediary, where the Application was submitted; or

iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.

iv. For further details, Applicants may refer to the Prospectus and the Application Form.

**B. INSTRUCTIONS FOR FILLING THE REVISION FORM**

a.) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

b.) RII may revise / withdraw their Application till closure of the Issue period.

c.) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

d.) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

**COMMON APPLICATION REVISION FORM**

# XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Registered Office:
Tel. No.: Fax No. : Email: Website:
Contact Person: CIN:

**FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

**FIXED PRICE SME ISSUE**
**ISIN : XXXXXXX**

**Application Form No.**

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/CDP/RTA STAMP & CODE |
|---|---|
| | |
| **SUB-BROKER'S / SUB-AGENT'S STAMP & CODE** | **SCSB BRANCH STAMP & CODE** |
| | |
| **BANK BRANCH SERIAL NO.** | **SCSB SERIAL NO.** |
| | |

**1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT**

Mr. / Ms.

Address

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE/FIRST APPLICANT**

**3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS** NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**PLEASE CHANGE MY APPLICATION** ☐ PHYSICAL

**4. FROM (as per last Application or Revision)**

| Options | No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures) | Price per Equity Share (₹) [•] (In Figures) Issue Price | Discount, if any | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| Option 1 | ORIGINAL APPLICATION | ORIGINAL APPLICATION | | | |
| (OR) Option 2 | | | | | |
| (OR) Option 3 | | | | | |

**5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")**

| Options | No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures) | Price per Equity Share (₹) [•] (In Figures) Issue Price | Discount, if any | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| Option 1 | REVISED APPLICATION | REVISED APPLICATION | | | |
| (OR) Option 2 | | | | | |
| (OR) Option 3 | | | | | |

**6. PAYMENT DETAILS** | **PAYMENT OPTION : Full Payment**

Additional Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

**OR**
UPI Id
(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

| 7A. SIGNATURE OF SOLE / FIRST APPLICANT | 7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) | SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System) |
|---|---|---|
| Date: ....., 2019 | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue<br>1)<br>2)<br>3) | |

TEAR HERE

LOGO

**XYZ LIMITED**
**REVISION FORM - INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA**

**Application Form No.**

DPID / CLID PAN

| Additional Amount Blocked (₹ in figures) | ASBA Bank & Branch | Stamp & Signature of SCSB Branch |
|---|---|---|
| ASBA Bank A/c No./UPI Id | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

TEAR HERE

**XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Issue Price | | | |
| Additional Amount Blocked (₹) | | | |

**Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA**

**Name of Sole / First Applicant**

**Acknowledgment Slip for Applicant**

ASBA Bank A/c No. / UPI Id:

Bank & Branch:

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

**Application Form No.**

**XYZ LIMITED** 1

| COMMON APPLICATION REVISION FORM | **XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**<br>Registered Office:<br>Tel. No.: Fax No. : Email: Website:<br>Contact Person: CIN: | FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS |
|---|---|---|

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

**FIXED PRICE SME ISSUE**
**ISIN : XXXXXXX**

Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/CDP/RTA STAMP & CODE |
|---|---|
| | |
| **SUB-BROKER'S / SUB-AGENT'S STAMP & CODE** | **SCSB BRANCH STAMP & CODE** |
| | |
| **BANK BRANCH SERIAL NO.** | **SCSB SERIAL NO.** |
| | |

**1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT**

Mr. / Ms.

Address

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE/FIRST APPLICANT**

**3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS** NSDL ☐ CDSL ☐

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION ☐ PHYSICAL

**4. FROM (as per last Application or Revision)**

| Options | No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures) | | | | | | | Price per Equity Share (₹) [•] (In Figures) | | | | | | | | | | | | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Issue Price | | | | Discount, if any | | | | Net Price | | | | |
| | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 4 | 3 | 2 | 1 | 4 | 3 | 2 | 1 | 4 | 3 | 2 | 1 | |
| Option 1 | | | ORIGINAL APPLICATION | | | | | ORIGINAL APPLICATION | | | | | | | | | | | | |
| (OR) Option 2 | | | | | | | | | | | | | | | | | | | | |
| (OR) Option 3 | | | | | | | | | | | | | | | | | | | | |

**5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")**

| Options | No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures) | | | | | | | Price per Equity Share (₹) [•] (In Figures) | | | | | | | | | | | | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Issue Price | | | | Discount, if any | | | | Net Price | | | | |
| | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 4 | 3 | 2 | 1 | 4 | 3 | 2 | 1 | 4 | 3 | 2 | 1 | |
| Option 1 | | | REVISED APPLICATION | | | | | REVISED APPLICATION | | | | | | | | | | | | |
| (OR) Option 2 | | | | | | | | | | | | | | | | | | | | |
| (OR) Option 3 | | | | | | | | | | | | | | | | | | | | |

**6. PAYMENT DETAILS** | **PAYMENT OPTION : Full Payment**

Additional Amount Blocked (₹ in Figures) (₹ in words) _____

ASBA Bank A/c No.

Bank Name & Branch _____

**OR**
UPI Id
(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

| 7A. SIGNATURE OF SOLE / FIRST APPLICANT | 7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) | SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System) |
|---|---|---|
| Date: ....., 2019 | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue<br>1)<br>2)<br>3) | |

TEAR HERE

LOGO

**XYZ LIMITED**
**REVISION FORM - INITIAL PUBLIC ISSUE - NR**

**Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA**

Application Form No.

DPID / CLID PAN

| Additional Amount Blocked (₹ in figures) | ASBA Bank & Branch | Stamp & Signature of SCSB Branch |
|---|---|---|
| ASBA Bank A/c No./UPI Id | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

TEAR HERE

**XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Issue Price | | | |
| Additional Amount Blocked (₹) | | | |

Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

**Name of Sole / First Applicant**

**Acknowledgment Slip for Applicant**

ASBA Bank A/c No. / UPI Id:

Bank & Branch:

Application Form No.

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

**11. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading "Instructions for Filling the Application Form".

**12. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION 'FROM' AND 'TO'**

a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for 4,000 Equity Shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of 4,000 Equity Shares, 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 Form.

b.) In case of revision, applicants' options should be provided by applicants in the same order as provided in the Application Form.

c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹ 200,000. In case the Application Amount exceeds ₹ 200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.

d.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied 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 application at Cut-off Price.

e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

**13. PAYMENT DETAILS**

a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.

b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.

c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.

d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

## 14. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 9 above under the heading "Instructions for Filling the Application Form" for this purpose.

**APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

***Please note that, providing bank account details or UPI ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.***

***Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.***

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as 'Demographic Details') or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

**OTHER INSTRUCTIONS**

**JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

**MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

I. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.

2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

**PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration ("GIR") number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

**RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

**GROUNDS FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and not firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 4,000 Equity Shares;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations for "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account, UPI ID and/or Depositories Account;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- Submission of Application Form(s) using third party ASBA Bank Account;

- Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries;
- In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and *vice versa*.

**EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a. a tripartite agreement dated March 07, 2022 with NSDL, our Company and Registrar to the Issue;
b. a tripartite agreement dated February 24, 2022 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE0KTW01013

a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
h) The trading of the Equity Shares of our Company would be only in dematerialized form.

**COMMUNICATIONS**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;**

**To**
**Gopika Singh**
**Company Secretary & Compliance Officer**
113, Udyog Bhavan, Sharma Ind. Estate, Walghat Road, Goregaon East, Mumbai, Mahrashtra, India – 400 063
**Telephone:** +91 22 4035 1481
**E-mail:** cs@vkmgroups.biz
**Website:** www.vkmgroups.com

**To the Registrar to the Issue**
**KFin Technologies Limited**
*(Formerly known as KFin Technologies Private Limited)*
Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana
**Contact Person** : M Murali Krishna
**Tel**: +91 40 6716 2222
**Fax**: +91 40 2343 1551
**Email**: veekayem.ipo@kfintech.com
**Investor grievance e-mail**: einward.ris@kfintech.com

**Website**: www.kfintech.com
**SEBI Registration No.** : INR000000221

**DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

**IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

**a) '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**

**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 of Companies Act, 2013 and shall be treated as Fraud.**

***Section 447 of the Companies Act, 2013, is reproduced as below:***

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

**BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than 4,000 Equity Shares the allotment will be made as follows:

   a) Each successful applicant shall be allotted 4,000 Equity Shares; and

   b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4,000 Equity Shares.

5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows;

   (a). Minimum fifty per cent. to retail individual investors; and

   (b). remaining to:

      i) individual applicants other than retail individual investors; and

      ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

   Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

   **Explanation:** If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled *"BASIS OF ALLOTMENT"*.

"Retail Individual Investor" means an investor who applies for shares of value of not more than ₹ 2, 00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the EMERGE Platform of NSE.

**BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the EMERGE Platform of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;

3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;

4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and

5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.

6. That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

7. Adequate arrangements shall be made to collect all Application forms.

**UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors certifies that:

1) 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;

2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;

3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;

4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;

**5)** Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion) ("**DPIIT**").

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Rules.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The foreign investment in our Company is governed by inter alia the FEMA, as amended, the FEMA Rules, the FDI Policy issued and amended by way of press notes. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, 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 each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/ defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

| Article No. | Articles | Particulars |
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| **1.** | **Table F Applicable.** | No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 shall apply to the Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto. |
| | | **CAPITAL** |
| **3.** | **Authorised Capital.** | 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. |
| **4.** | **Increase of capital by the Company how carried into effect.** | 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 and 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. |
| **5.** | **New Capital same as existing capital.** | 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. |
| **6.** | **Non-Voting Shares.** | The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force. |
| **7.** | **Redeemable Preference Shares.** | Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted |

| Article No. | Articles | Particulars |
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| | | shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit. |
| **8.** | **Voting rights of preference shares.** | The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares. |
| **9.** | **Provisions to apply on issue of Redeemable Preference Shares.** | On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect:<br>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;<br>(b) No such Shares shall be redeemed unless they are fully paid;<br>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;<br>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and<br>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital. |
| **10.** | **Reduction of capital.** | The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce:<br>(a) the share capital;<br>(b) any capital redemption reserve account; or<br>(c) Any security premium account.<br>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted. |
| **11.** | **Debentures.** | 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. |
| **12.** | **Issue of Sweat Equity Shares.** | 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 thereunder. |
| **13.** | **ESOP.** | 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 |

| Article No. | Articles | Particulars |
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| | | to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called. |
| **14.** | **Buy Back of shares.** | Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. |
| **15.** | **Consolidation, Sub-Division And Cancellation.** | 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 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. |
| **16.** | **Issue of Depository Receipts.** | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country. |
| **17.** | **Issue of Securities.** | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder. |
| | | **MODIFICATION OF CLASS RIGHTS** |
| **18. (a)** | **Modification of rights.** | If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.<br><br>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation. |
| **18. (b)** | **New Issue of Shares not to affect rights attached to existing shares of that class.** | The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith. |
| **19.** | **Shares at the disposal of the Directors.** | 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 |

| Article No. | Articles | Particulars |
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| | | 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. |
| **20.** | **Power to issue shares on preferential basis.** | The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder. |
| **21.** | **Shares should be Numbered progressively and no share to be subdivided.** | The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished. |
| **22.** | **Acceptance of Shares.** | An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member. |
| **23.** | **Directors may allot shares as full paid-up** | Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid. |
| **24.** | **Deposit and call etc.to be a debt payable immediately.** | The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly. |
| **25.** | **Liability of Members.** | Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof. |
| **26.** | **Registration of Shares.** | Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind. |
| **RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT** | | |
| **27.** | The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Section 39 of the Act. | |
| **28.** | **Share Certificates** | (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 |

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| | | 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 entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.<br>(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.<br>(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. |
| **29.** | **Issue of new certificates in place of those defaced, lost or destroyed.** | If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.<br><br>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.<br><br>The provisions of this Article shall mutatis mutandis apply to debentures of the Company. |

| Article No. | Articles | Particulars |
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| **30. (a)** | **The first named joint holder deemed Sole holder.** | If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations |
| **30. (b)** | **Maximum number of joint holders.** | The Company shall not be bound to register more than three persons as the joint holders of any share. |
| **31.** | **Company not bound to recognise any interest in share other than that of registered holders.** | Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them. |
| **32.** | **Installment on shares to be duly paid.** | If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative. |
| | **UNDERWRITING AND BROKERAGE** | |
| **33.** | **Commission** | Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other. |
| **34.** | **Brokerage** | The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful. |
| | **CALLS** | |
| **35.** | **Directors may make calls** | (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.<br>(2) A call may be revoked or postponed at the discretion of the Board.<br>(3) A call may be made payable by installments. |
| **36.** | **Notice of Calls** | Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid. |
| **37.** | **Calls to date from resolution.** | A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors. |

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| **38.** | **Calls on uniform basis.** | Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class. |
| **39.** | **Directors may extend time.** | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour. |
| **40.** | **Calls to carry interest.** | If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member. |
| **41.** | **Sums deemed to be calls.** | If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. |
| **42.** | **Proof on trial of suit for money due on shares.** | On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |
| **43.** | **Judgment, decree, partial payment motto proceed for forfeiture.** | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided. |
| **44.** | **Payments in Anticipation of calls may carry interest** | (a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay |

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| | | at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.<br>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company. |
| | | **LIEN** |
| **45.** | **Company to have Lien on shares.** | The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. |
| **46.** | **As to enforcing lien by sale.** | For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned. |
| **47.** | **Application of proceeds of sale.** | The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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. |
| | | **FORFEITURE AND SURRENDER OF SHARES** |
| **48.** | **If call or installment not paid, notice may be given.** | If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall |

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| | | be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force. |
| **49.** | **Terms of notice.** | The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.<br>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited. |
| **50.** | **On default of payment, shares to be forfeited.** | If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture. |
| **51.** | **Notice of forfeiture to a Member** | When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members. |
| **52.** | **Forfeited shares to be property of the Company and may be sold etc.** | Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit. |
| **53.** | **Members still liable to pay money owing at time of forfeiture and interest.** | Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so. |
| **54.** | **Effect of forfeiture.** | The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. |
| **55.** | **Evidence of Forfeiture.** | A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles 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 shares. |
| **56.** | **Title of purchaser and allottee of Forfeited shares.** | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares. |

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| **57.** | **Cancellation of share certificate in respect of forfeited shares.** | Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto. |
| **58.** | **Forfeiture may be remitted.** | In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable. |
| **59.** | **Validity of sale** | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of 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 the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. |
| **60.** | **Surrender of shares.** | The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit. |
| | **TRANSFER AND TRANSMISSION OF SHARES** | |
| **61.** | **Execution of the instrument of shares.** | (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.<br>(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof. |
| **62.** | **Transfer Form.** | 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.<br><br>The instrument of transfer shall be in a common form approved by the Exchange; |
| **63.** | **Transfer not to be registered except on production of instrument of transfer.** | The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of |

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| | | the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law. |
| **64.** | **Directors may refuse to register transfer.** | Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register-<br><br>(a) Any transfer of shares on which the company has a lien.<br><br>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever; |
| **65.** | **Notice of refusal to be given to transferor and transferee.** | If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply. |
| **66.** | **No fee on transfer.** | 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. |
| **67.** | **Closure of Register of Members or debenture holder or other security holders.** | The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder 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. |
| **68.** | **Custody of transfer Deeds.** | 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. |
| **69.** | **Application for transfer of partly paid shares.** | 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. |
| **70.** | **Notice to transferee.** | For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post. |
| **71.** | **Recognition of legal representative.** | (a) 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 person recognized by the Company as having any title to his interest in the shares.<br>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.<br>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal |

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| | | representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate<br>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. |
| **72.** | **Titles of Shares of deceased Member** | The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72of the Companies Act. |
| **73.** | **Notice of application when to be given** | Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act. |
| **74.** | **Registration of persons entitled to share otherwise than by transfer. (Transmission clause).** | Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'. |
| **75.** | **Refusal to register nominee.** | Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration. |
| **76.** | **Board may require evidence of transmission.** | Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity. |
| **77.** | **Company not liable for disregard of a notice prohibiting registration of transfer.** | The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares |

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| | | 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 require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever 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 shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit. |
| **78.** | **Form of transfer Outside India.** | 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. |
| **79.** | **No transfer to insolvent etc.** | No transfer shall be made to any minor, insolvent or person of unsound mind. |
| | | **NOMINATION** |
| **80.** | **Nomination** | 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, 2013shall apply in respect of such nomination.<br>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 72of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014<br>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.<br>iv) Lf 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. |
| **81.** | **Transmission of Securities by nominee** | A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-<br>i) to be registered himself as holder of the security, as the case may be; or<br>ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;<br>iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;<br>iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.<br><br>Provided further 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys |

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| | | payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with. |
| | | **DEMATERIALISATION OF SHARES** |
| **82.** | **Dematerialisation of Securities** | Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form. |
| | | **JOINT HOLDER** |
| **83.** | **Joint Holders** | Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles. |
| **84.(a)** | **Joint and several liabilities for all payments in respect of shares.** | The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. |
| **84.(b)** | **Title of survivors.** | on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person; |
| **84.(c)** | **Receipts of one sufficient.** | Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and |
| **84.(d)** | **Delivery of certificate and giving of notices to first named holders.** | only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders. |
| | | **SHARE WARRANTS** |
| **85.** | **Power to issue share warrants** | The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant. |
| **86.** | **Deposit of share warrants** | (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.<br>(b) Not more than one person shall be recognized as depositor of the Share warrant.<br>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor. |
| **87.** | **Privileges and disabilities of the holders of share warrant** | (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. |

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| | | (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company. |
| **88.** | **Issue of new share warrant coupons** | The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), and a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction. |
| | | **CONVERSION OF SHARES INTO STOCK** |
| **89.** | **Conversion of shares into stock or reconversion.** | The Company may, by ordinary resolution in General Meeting.<br>(a) convert any fully paid-up shares into stock; and<br>(b) Re-convert any stock into fully paid-up shares of any denomination. |
| **90.** | **Transfer of stock.** | The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. |
| **91.** | **Rights of stock Holders.** | The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. |
| **92.** | **Regulations.** | Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively. |
| | | **BORROWING POWERS** |
| **93.** | **Power to borrow.** | Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose. |
| **94.** | **Issue of discount etc. or with special privileges.** | 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. |
| **95.** | **Securing payment or repayment of Moneys borrowed.** | 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 |

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| | | 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. |
| **96.** | **Bonds, Debentures etc. to be under the control of the Directors.** | 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. |
| **97.** | **Mortgage of uncalled Capital.** | 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? |
| **98.** | **Indemnity may be given.** | 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 liable as aforesaid from any loss in respect of such liability. |
| | | **MEETINGS OF MEMBERS** |
| **99.** | **Distinction between AGM & EGM.** | All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings. |
| **100. (a)** | **Extra-Ordinary General Meeting by Board and by requisition** | The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members |
| **100. (b)** | **When a Director or any two Members may call an Extra-Ordinary General Meeting** | If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. |
| **101.** | **Meeting not to transact business not mentioned in notice.** | No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened. |
| **102.** | **Chairman of General Meeting** | The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the |

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| | | Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting. |
| **103.** | **Business confined to election of Chairman whilst chair is vacant.** | No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant. |
| **104.** | **Chairman with consent may adjourn meeting.** | a) 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.<br>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.<br>c) 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.<br>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. |
| **105.** | **Chairman's casting vote.** | In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member. |
| **106.** | **In what case poll taken without adjournment.** | Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith. |
| **107.** | **Demand for poll not to prevent transaction of other business.** | The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. |
| | | **VOTES OF MEMBERS** |
| **108.** | **Members in arrears not to vote.** | No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien. |
| **109.** | **Number of votes each member entitled.** | Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares. |
| **110.** | **Casting of votes by a member entitled to more than one vote.** | On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. |

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| **111.** | **Vote of member of unsound mind and of minor** | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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. |
| **112.** | **Postal Ballot** | Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company. |
| **113.** | **E-Voting** | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. |
| **114.** | **Votes of joint members.** | a) 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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.<br>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. |
| **115.** | **Votes may be given by proxy or by representative** | Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles |
| **116.** | **Representation of a body corporate.** | A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company. |
| **117. (a)** | **Members paying money in advance.** | A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable. |
| **117. (b)** | **Members not prohibited if share not held for any specified period.** | A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken. |
| **118.** | **Votes in respect of shares of deceased or insolvent members.** | Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof. |
| **119.** | **No votes by proxy on show of hands.** | No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a |

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| | | representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment. |
| **120.** | **Appointment of a Proxy.** | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. |
| **121.** | **Form of proxy.** | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105. |
| **122.** | **Validity of votes given by proxy notwithstanding death of a member.** | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used. |
| **123.** | **Time for objections to votes.** | No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. |
| **124.** | **Chairperson of the Meeting to be the judge of validity of any vote.** | Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. |
| | | **DIRECTORS** |
| **125.** | **Number of Directors** | Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution. |
| **126.** | **Qualification Shares.** | A Director of the Company shall not be bound to hold any Qualification Shares in the Company. |
| **127.** | **Nominee Directors.** | (a) Subject to the provisions of the Companies Act, 2013and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement<br>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.<br>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to |

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| | | them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.<br>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s. |
| **128.** | **Appointment of alternate Director.** | The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director. |
| **129.** | **Additional Director** | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting. |
| **130.** | **Director's power to fill casual vacancies.** | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, 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, who 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 by him. |
| **131.** | **Sitting Fees.** | Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof. |
| **132.** | **Travelling expenses Incurred by Director on Company's business.** | The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified. |
| | **PROCEEDING OF THE BOARD OF DIRECTORS** | |
| **133.** | **Meetings of Directors.** | (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.<br>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. |
| **134.** | **Chairperson** | (a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.<br>(b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time. |

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| **135.** | **Questions at Board meeting how decided.** | Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote. |
| **136.** | **Continuing directors may act notwithstanding any vacancy in the Board** | 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. |
| **137.** | **Directors may appoint committee.** | Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. |
| **138.** | **Committee Meetings how to be governed.** | The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. |
| **139.** | **Chairperson of Committee Meetings** | (a) A committee may elect a Chairperson of its meetings.<br>(b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. |
| **140.** | **Meetings of the Committee** | (a) A committee may meet and adjourn as it thinks fit.<br>(b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. |
| **141.** | **Acts of Board or Committee shall be valid notwithstanding defect in appointment.** | Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. |
| | **RETIREMENT AND ROTATION OF DIRECTORS** | |
| **142.** | **Power to fill casual vacancy** | Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid. |
| | **POWERS OF THE BOARD** | |
| **143.** | **Powers of the Board** | The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the |

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| | | Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. |
| **144.** | **Certain powers of the Board** | Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say:<br>(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.<br>(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.<br>(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.<br>(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.<br>(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.<br>(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.<br>(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.<br>(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon. |

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| | | (9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.<br>(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.<br>(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.<br>(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.<br>(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.<br>(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;<br>(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.<br>(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.<br>(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.<br>(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may |

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| | | think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.<br>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.<br>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.<br>(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.<br>(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.<br>(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company. |

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| | | (24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.<br>(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.<br>(26) To redeem preference shares.<br>(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.<br>(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.<br>(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.<br>(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or crawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.<br>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.<br>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.<br>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.<br>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the |

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| | | Company for the time being held under lease or for an estate less than freehold estate.<br>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.<br>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.<br>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.<br>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with. |
| | **MANAGING AND WHOLE-TIME DIRECTORS** | |
| **145.** | **Powers to appoint Managing/ Whole - time Directors.** | (a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business 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 or their place or places.<br>(b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director. |
| **146.** | **Remuneration of Managing or Whole-time Director.** | The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes. |
| **147.** | **Powers and duties of Managing Director or Whole-time Director.** | (1) Subject to control, direction and supervision of the Board of Directors, the day-today management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.<br>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. |

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| | | (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.<br>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.<br>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company. |
| **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER** | | |
| **148.** | **Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer** | (a) Subject to the provisions of the Act,—<br>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;<br>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.<br>(b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer. |
| **THE SEAL** | | |
| **149.** | **The seal, its custody and use.** | (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.<br>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India. |
| **150.** | **Deeds how executed.** | The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence. |
| **DIVIDEND AND RESERVES** | | |
| **151.** | **Division of profits.** | (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 |

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| | | shares in the Company, dividends may be declared and paid according to the amounts of the shares.<br>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.<br>(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. |
| **152.** | **The company in General Meeting may declare Dividends.** | The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting. |
| **153.** | **Transfer to reserves** | (a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.<br>(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. |
| **154.** | **Interim Dividend.** | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company. |
| **155.** | **Debts may be deducted.** | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. |
| **156.** | **Capital paid up in advance not to earn dividend.** | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share. |
| **157.** | **Dividends in proportion to amount paid-up** | 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 dividends as from a particular date such share shall rank for dividend accordingly. |
| **158.** | **Retention of dividends until completion of transfer under Articles.** | The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same. |
| **159.** | **No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.** | No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company. |

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| **160.** | **Effect of transfer of shares.** | A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer. |
| **161.** | **Dividend to joint holders.** | Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share. |
| **162.** | **Dividends how remitted.** | (a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.<br>(b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. |
| **163.** | **Notice of dividend.** | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. |
| **164.** | **No interest on Dividends.** | No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company. |
| | **CAPITALIZATION** | |
| **165.** | **Capitalization.** | (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:<br>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and<br>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.<br>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:<br>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;<br>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or<br>(iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).<br>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.<br>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation. |
| **166.** | **Fractional Certificates.** | (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —<br>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and<br>(b) Generally to do all acts and things required to give effect thereto.<br>(2) The Board shall have full power -<br>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also |

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| | | (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.<br>(3) Any agreement made under such authority shall be effective and binding on all such members.<br>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit. |
| **167.** | **Inspection of Minutes Books of General Meetings.** | (1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.<br>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof. |
| **168.** | **Inspection of Accounts** | (a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.<br>(b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting. |
| | | **FOREIGN REGISTER** |
| **169.** | **Foreign Register.** | The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers. |
| | | **DOCUMENTS AND SERVICE OF NOTICES** |
| **170.** | **Signing of documents & notices to be served or given.** | Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed. |
| **171.** | **Authentication of documents and proceedings.** | Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company. |
| | | **WINDING UP** |
| **172.** | Subject to the provisions of Chapter XX of the Act and rules made thereunder—<br>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. | |

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| | | (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.<br>(iii) (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. |
| | | **INDEMNITY** |
| **173.** | **Directors' and others right to indemnity.** | Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court. |
| **174.** | Not responsible for acts of others | Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty. |
| | | **SECRECY** |
| **175 (a)** | **Secrecy** | 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. |
| **175 (b)** | **Access to property information etc.** | 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 |

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| | | 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. |

## SECTION IX - OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Prospectus until the Issue Closing Date.

### 1. Material Contracts for the Issue

(i) Issue Agreement dated February 21, 2022 entered into between our Company and the LM.

(ii) Registrar Agreement dated February 21, 2022 entered into amongst our Company and the Registrar to the Issue.

(iii) Tripartite Agreement dated March 07, 2022 between our Company, NSDL and the Registrar to the Issue.

(iv) Tripartite Agreement dated February 24, 2022 between our Company, CDSL and the Registrar to the Issue.

(v) Banker to the Issue Agreement dated June 16, 2022 among our Company, Lead Manager, and Banker to the Issue and the Registrar to the Issue.

(vi) Market Making Agreement dated June 16, 2022 between our Company, Lead Manager and Market Maker.

(vii) Underwriting Agreement dated June 16, 2022 amongst our Company and the Underwriters.

### 2. Material Documents

(i) Certificate of Incorporation dated September 17, 1985 under the Companies Act, 1956 issued by Registrar of Companies, Mumbai.

(ii) Fresh Certificate of Incorporation dated June 29, 2018 under the Companies Act, 2013 issued by Registrar of Companies, Mumbai, consequent upon conversion of our Company from a private limited company to a public limited company and subsequent change of name to "*Veekayem Textile Mills Limited*".

(iii) Fresh Certificate of Incorporation dated October 29, 2018 under the Companies Act, 2013 issued by Registrar of Companies, Mumbai, consequent upon change of name of our Company to "*Veekayem Fashion and Apparels Limited*".

(iv) Resolution of the Board of Directors dated February 10, 2022 in relation to the Issue.

(v) Shareholders' resolution dated February 11, 2022 in relation to the Issue.

(vi) Resolution of the Board of Directors of the Company dated March 09, 2022 taking on record and approving the Draft Prospectus dated March 09, 2022.

(vii) Resolution of the Board of Directors of the Company dated July 29, 2022 taking on record and approving this Prospectus.

(viii) The examination reports dated July 27, 2022 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Prospectus.

(ix) Copies of the annual reports of our Company for the Fiscals 2019, 2020 and 2021.

(x) Statement of Tax Benefits dated July 27, 2022 from the Statutory Auditor included in this Prospectus.

(xi) Consent of the Promoters, Directors, the LM, Legal Counsel, Registrar to the Issue, Bankers to our Company, Market Maker, Underwriter Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.

(xii) Consent letter dated July 27, 2022 of the Statutory Auditor to include their names as experts in relation to their report dated July 27, 2022 on the Restated Financial Information and the Statement of Tax Benefits dated July 27, 2022 included in this Prospectus.

(xiii) Due Diligence Certificate dated March 09, 2022 issued the LM.

(xiv) In principle listing approvals dated June 06, 2022 issued by NSE.

Any of the contracts or documents mentioned in this 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, 2013 and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, 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 Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY**

**Krishankant Gupta**
(Chairman and Managing Director)

**Vijaykumar Gupta**
(Whole Time Director)

**Madanlal Gupta**
(Non-Executive Director)

**Madhukar Sharma**
(Independent Director)

**Santwana Vernekar**
(Independent Director)

**SIGNED BY THE CFO AND CS OF OUR COMPANY**

**Hemant Gupta**
(Chief Financial Officer)

**Gopika Singh**
(Company Secretary & Compliance Officer)

**Place:** Mumbai, Maharashtra

**Date:** July 29, 2022