



Draft Prospectus

Dated: 31<sup>st</sup> January, 2025

Fixed Price Issue

Please read section 26 and 32 of the Companies Act, 2013  
(This Draft Prospectus will be updated upon filing with the RoC)



### SCAP TECHNO FAB LIMITED

(Formerly Known as Scap Techno Fab Private Limited)

Corporate Identification Number: U17120GJ2011PLC067249

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Block No-414, Plot No-49 to 55,58 to 64, B/h Sai Service Center, Vill-Pipodara, T, al-Mangrol, Surat, Pipodara, Gujarat, India, 394110	-	Ms. Jayshree Jagdish Prasad Mundhra; Company Secretary and Compliance Officer	<a href="mailto:compliance@scaptechnofab.com">compliance@scaptechnofab.com</a> ; Tel No; +91 9724404093;	<a href="http://www.scaptechnofab.com">www.scaptechnofab.com</a>

PROMOTER OF THE COMPANY: MR. PRAVINCHANDRA SHAMJIBHAI DHANANI, MR. SURESHKUMAR BABUBHAI GAJERA, MR. ASHVINKUMAR DAMJIBHAI BODA, MR. CHETANKUMAR MAKANBHAI PATEL AND MR. DHANSUKHBHAI NANJIBHAI KAKADIYA.

#### DETAILS OF THE ISSUE

Types	Fresh Issue Size (₹ in Lakhs)	OFS Size (by Nos. of Shares or by amount in ₹)	Total Issue Size	Eligibility
Fresh Issue	Upto 25,40,000 Equity Shares aggregating to ₹1,727.20 Lakhs	Nil	Upto 25,40,000 Equity Shares aggregating to ₹ 1,727.20 Lakhs	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

The face value of the Equity Shares is ₹10/- each and the Issue Price is 6.80 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 in "Basis for Issue Price" on page no. 84 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 the Draft Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page no. 20 of this Draft Prospectus.


#### ISSUER'S ABSOLUTE RESPONSIBILITY

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


#### LISTING

The Equity Shares Issued through this Draft 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. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

#### LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email and Telephone
 SWASTIKA INVESTMART LIMITED	Mr. Mohit R. Goyal	Email Id: merchantbanking@swastika.co.in Telephone Number: +91-22-26254568-69 / 0731-6644244

#### REGISTRAR TO THE ISSUE

 BIGSHARE SERVICES PRIVATE LIMITED	Mr. Ramesh Nair	Email Id: ipo@bigshareonline.com Telephone Number: +91-22-62638200 / +91-22-62638299
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#### ISSUE SCHEDULE

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]



**SCAP TECHNO FAB LIMITED**

CIN: U17120GJ2011PLC067249

Our Company was originally incorporated as “Scap Techno Fab Private Limited”, on September 24<sup>th</sup>, 2011 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Dadra and Nagar Haveli, Gujarat. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from “Scap Techno Fab Private Limited” to “Scap Techno Fab Limited” vide Special Resolution dated April 12<sup>th</sup>, 2023. As on date of this Draft Prospectus the Corporate Identification Number of our Company is U17120GJ2011PLC067249. For details of Conversion of Company, please refer to section titled “HISTORY AND CORPORATE STRUCTURE” beginning on page no. 128 of this Draft Prospectus.

**Registered office:** Block No-414, Plot No-49 to 55,58 to 64, B/h Sai Service Center, Vill-Pipodara, T, al-Mangrol, Surat, Pipodara, Gujarat, India, 394110;

**Website:** [www.scaptechnofab.com](http://www.scaptechnofab.com); **E-Mail:** [compliance@scaptechnofab.com](mailto:compliance@scaptechnofab.com); **Telephone No:** +91 9724404093;

**Company Secretary and Compliance Officer:** Ms. Jayshree Jagdish Prasad Mundhra

**PROMOTER OF THE COMPANY: MR. PRAVINCHANDRA SHAMJIBHAI DHANANI, MR. SURESHKUMAR BABUBHAI GAJERA, MR. ASHVINKUMAR DAMJIBHAI BODA, MR. CHETANKUMAR MAKANBHAI PATEL AND MR. DHANSUKHBHAI NANJIBHAI KAKADIYA**

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC ISSUE OF 25,40,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF SCAP TECHNO FAB LIMITED (“SCAP” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹68/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹58/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹1,727.20 LAKHS (“THE ISSUE”), OF WHICH 1,32,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹68/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹58/- PER EQUITY SHARE AGGREGATING TO ₹89.76 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 24,08,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹68/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹58/- PER EQUITY SHARE AGGREGATING TO ₹1,637.44 LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.62% AND 25.24% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THIS ISSUE IS BEING IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIRMENTS) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME.**

For further details see “*Terms of The Issue*” beginning on page no. 199 of this Draft Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and the all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks (“SCSBs”) for the same. Further pursuant to SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, for implementation of Phased II for UPI facility, which is effective from July 01, 2019, all potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts or UPI ID (in case of RIIs), in which the corresponding Application Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. For details, see “*Issue Procedure*” on page no. 207 of this Draft Prospectus.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS ₹ 68/-. THE ISSUE PRICE IS 6.80 TIMES OF THE FACE VALUE.**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹10/- per Equity Shares and the Issue price is 6.80 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on “*Basis For Issue Price*” beginning on page no. 84 of this Draft 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 of our Company nor 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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on page no. 20 of this Draft Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft 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 this Draft Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited (“NSE”), 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 [●] from National Stock Exchange of India Limited (“NSE”) for using its name in this offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited (“NSE”). For the purpose of this Issue, the designated Stock Exchange is the NSE.

**LEAD MANAGER TO THE ISSUE**



INVEST HERE + GET THERE

**SWASTIKA INVESTMART LIMITED**

**SEBI Registration Number:** INM000012102

**Registered Office** Office No. 104, 1<sup>st</sup> Floor, KESHAVA Commercial Building, Plot No. C-5, “E” Block, Bandra Kurla Complex, Opp. GST Bhavan, Bandra (East), Mumbai – 400051;

**Merchant Banking Division Address:** 48 Jaora Compound, M.Y.H Road, Indore (MP) – 452001;

**Telephone Number:** +91-22-26254568-69 / 0731-6644244;

**Email Id:** [merchantbanking@swastika.co.in](mailto:merchantbanking@swastika.co.in);

**Investors Grievance Id:** [mb.investorgrievance@swastika.co.in](mailto:mb.investorgrievance@swastika.co.in);

**Website:** [www.swastika.co.in](http://www.swastika.co.in);

**Contact Person:** Mr. Mohit R. Goyal;

**CIN:** L65910MH1992PLC067052.

**REGISTRAR TO THE ISSUE**



**BIGSHARE SERVICES PRIVATE LIMITED;**

**SEBI Registration Number:** INR000001385;

**Address:** Office No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri - East, Mumbai - 400093, Maharashtra, India;

**Tel. Number:** +91 22 6263 8200;

**Fax Number:** +91 22 6263 8299;

**Email Id:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com);

**Investors Grievance Id:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com);

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com);

**Contact Person:** Mr. Babu Rapheal C.

**ISSUE SCHEDULE**

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of The Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies*”, “*Restated Financial Statements*”, “*Outstanding Litigations and Material Developments*” and “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

#### General Terms

Term	Description
“Scap”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Scap Techno Fab Limited, a Public Limited Company, registered under the Companies Act, 1956 and having its Registered Office at Block No-414, Plot No-49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Pipodara, Surat – 394110, Gujarat, India.
“We”, “us” or “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.
Our Promoters	Mr. Pravinchandra Shamjibhai Dhanani, Mr. Sureshkumar Babubhai Gajera, Mr. Ashvinkumar Damjibhai Boda, Mr. Chetankumar Mankanbhai Patel and Mr. Dhansukhbhai Nanjibhai Kakadiya.
Promoters’ Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters and Promoter’s Group”.

#### Company Related Terms

Term	Description
Articles / Articles of Association / AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on no.132 of this Draft Prospectus.
Auditor of our Company / Statutory Auditor	The Statutory Auditors of our Company, being M/s. KARMA & Co. LLP, Chartered Accountants as mentioned in the section titled “ <i>General Information</i> ” beginning on page no. 41 of this Draft Prospectus.
Peer Review Auditor	The Peer Review Auditors of our Company, being M/s KPCM & Co., Chartered Accountants, holding a valid peer review certificate, as mentioned in the section titled “ <i>General Information</i> ” beginning on page no. 41 of this Draft Prospectus.
Bankers to the Company	ICICI Bank Limited.
Board of Directors / Board / BOD	The Board of Directors of Scap Techno Fab Limited unless otherwise specified.
Companies Act	The Companies Act, 2013, as amended from time to time.
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of the Board of Directors constituted in accordance with Section 135 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page no.132 of this Draft Prospectus.

Term	Description
CIN	Corporate Identification Number of our Company i.e. U17120GJ2011PLC067249.
CMD	Chairman and Managing Director.
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Mr. Dhansukhbhai Nanjibhai Kakadiya.
Company Secretary and Company Officer (CS)	The Company Secretary of our Company, being Ms. Jayshree Jagdish Prasad Mundhra.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
ED	Executive Director.
Group Companies	Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, “Group companies shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Information with respect to group Companies</i> ” on page no. 183 of this Draft Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	INE0P5T01010.
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately Below the Board of Directors as described in the section titled “ <i>Our Management</i> ” on page no. 132 of this Draft Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on August 03 <sup>rd</sup> , 2023 in accordance with the requirements of the SEBI ICDR Regulations.
MD	Managing Director.
MOA / Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
Non Residents	A person resident outside India, as defined under FEMA.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page no.132 of this Draft Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulation, 2000.
Registered Office	The Registered office of our Company located at Block No-414, Plot No-49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Pipodara, Surat – 394110, Gujarat, India.
Restated Financial Statements	The restated financial information of our Company, which comprises the restated statement of assets and liabilities, the restated statement of profit and loss, the restated statement of cash flows for the financial year ended on September 30 <sup>th</sup> 2024, March 31 <sup>st</sup> , 2024, 2023 and 2022 and the summary statement of significant accounting policies read together with the annexures and notes thereto and other restated financial information, prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI (ICDR) Regulations, 2018 and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC/Registrar of Companies	Registrar of Companies, Ahmedabad.
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page no.132 of this Draft Prospectus.
WTD	Whole-Time Director.



## Key Performance Indicators

Term	Description
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Return on Equity Ratio	Return on equity (ROE) is a measure of financial performance.
Return on Capital Employed	Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital.

## Issue Related Terms

Term	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Draft Prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an Application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section "Issue Procedure - Basis of allotment" on page no. 207 of this Draft Prospectus.
Bankers to the Issue, Sponsor and Refund Banker	[●].
Bidding Centers	Centers 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 Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Business Day	Monday to Friday (except public holidays).
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father / husband, investor status, occupation and Bank Account details.

Term	Description
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may allot Equity Shares to successful Bidders in the Offer.
Designated Intermediaries	The members of the Syndicate, sub-syndicate / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identity Number.
Draft Prospectus	The Draft Prospect dated January 31 <sup>st</sup> , 2025 issue in accordance with Section 26 and 32 of the Companies Act filed with the Emerge Platform of NSE under SEBI (ICDR), Regulations.
Eligible NRI	NRI's from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Emerge Platform of NSE	The Emerge Platform of NSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018 which was approved by SEBI as an SME Exchange on October 14 <sup>th</sup> , 2011.
Engagement Letter	The engagement letter dated June 29 <sup>th</sup> , 2023 between our Company and the LM.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
IPO	Initial Public Offering.
Issue / Issue Size / Public Issue	Public issue of 25,40,000 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹68/- per Equity Share (including a share premium of ₹58/- per Equity Share) aggregating to ₹1,727.20 Lakhs.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Draft Prospectus, being ₹68/- (including share premium of ₹58/- per Equity Share).
LM / Lead Manager	Lead Manager to the Issue, in this case being Swastika Investmart Limited.
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Regulation to be signed between our company and the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") Limited ("NSE").
Market Maker	The Market Maker to the Issue, in this case being [●].
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 24,08,000 Equity Shares of ₹10/- each at ₹68/- per Equity Share including share premium of ₹58/- per Equity Share aggregating to ₹1,637.44 Lakhs.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Non Retail Portion including Qualified Institutional Buyers (NRII)	The remaining portion of the Net Issue, after retail portion, being not more than 50% of the Net issue which shall be available for allocation to NRIIs in accordance with the SEBI ICDR Regulations.
Prospectus	The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Registrar /Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited.

Term	Description
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors /(RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹2,00,000/-
Retail Portion	The portion of the Net Offer being not less than 50% of the Net Equity Shares which shall be available for allocation to RIIs in accordance with the SEBI ICDR Regulations.
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> .
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Underwriter	Underwriter to the issue is [●].
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated [●].
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	The 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, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number 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 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI 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 Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Willful Defaulter	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	i. Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; ii. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

#### Technical and Industry Related Terms

Term	Description
ECLGS	Emergency Credit Line Guaranteed Scheme
DBT	Direct Benefit Transfer
FIBC	A flexible intermediate
GDP	Gross Domestic Product
GPD	Gallons per day
GST	Goods and Service Tax



Term	Description
ECLGS	Emergency Credit Line Guaranteed Scheme
GTR	Gross Tax Revenue
kgf	Kilogram Force
Kgs	Kilograms
MAT	Minimum Alternate Tax
MR	Market Research
MT	Metric Ton
NER	North Eastern region
PP	Polypropylene
MWp	Megawatts-Peak
PV	Photovoltaics
Sq	Mtr Square Meter
HT	High Tension
NTPEP	National Transportation
GSM	Grams Per Square Metre
PP	Polypropylene
NTPEP	National Transportation
NW	Non-woven

#### Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account.
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time.
AGM	Annual General Meeting.
AO	Assessing Officer.
ASBA	Application Supported by Blocked Amount.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year.
BG	Bank Guarantee.
CAGR	Compounded Annual Growth Rate.
CAN	Confirmation Allocation Note.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
CIT	Commissioner of Income Tax.
CRR	Cash Reserve Ratio.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996 as amended from time to time.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
DIN	Director's identification number.
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996.
DP ID	Depository Participant's Identity Number.
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization.
ECS	Electronic Clearing System.
EGM	Extra-ordinary General Meeting.
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year.
Financial Year / Fiscal Year / FY	The period of twelve months ended March 31 of that particular year.
FDI	Foreign Direct Investment.
FDR	Fixed Deposit Receipt.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder

Term	Description
	and as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board.
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
GDP	Gross Domestic Product.
GIR Number	General Index Register Number.
Gov/ Government/GoI	Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standard.
ICSI	Institute of Company Secretaries of India.
ICAI	Institute of Chartered Accountants of India.
Indian GAAP	Generally Accepted Accounting Principles in India.
I.T. Act	Income Tax Act, 1961, as amended from time to time.
ITAT	Income Tax Appellate Tribunal.
INR/ Rs./ Rupees / Rs.	Indian Rupees, the legal currency of the Republic of India.
Ltd.	Limited.
Pvt. Ltd.	Private Limited.
MCA	Ministry of Corporate Affairs.
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Ministry of Finance, Government of India.
MOU	Memorandum of Understanding.
NA	Not Applicable.
NAV	Net Asset Value.
NEFT	National Electronic Fund Transfer.
NOC	No Objection Certificate.
NR/ Non-Residents	Non-Resident.
NRE Account	Non-Resident External Account.
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations.
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets.
p.a.	Per annum.
P/E Ratio	Price/ Earnings Ratio.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PIO	Person of Indian Origin.
PLR	Prime Lending Rate.
R & D	Research and Development.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time.
RoNW	Return on Net Worth.

Term	Description
RTGS	Real Time Gross Settlement.
SAT	Securities Appellate Tribunal.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SCSBs	Self-Certified Syndicate Banks.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section.
Securities Act	The U.S. Securities Act of 1933, as amended.
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SME	Small and Medium Enterprises.
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time.
State Government	The Government of a State of India.
Stock Exchanges	Unless the context requires otherwise, refers to, the NSE Emerge.
STT	Securities Transaction Tax.
TDS	Tax Deducted at Source.
TIN	Tax payer Identification Number.
TRS	Transaction Registration Slip.
UIN	Unique Identification Number.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.  In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.

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

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references to India contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in lakhs units. One represents 1,00,000.

### FINANCIAL DATA

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our restated audited financial statements for the financial period/ year ended on September 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024, 2023 and 2022 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in the Draft Prospectus, and set out in the section titled “*Restated Financial Statements*” beginning on page no. 155 of the Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Years are to the twelve-month period ended March 31 of that year. In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and analysis of Financial position and Results of Operations*” beginning on page nos. 20, 102 and 165 respectively of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry 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 are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Prospectus is reliable, it has not been independently verified.

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

### CURRENCY AND UNITS OF PRESENTATION

In the Draft Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘Rs.’ or ‘₹.’ or ‘INR’ or ‘₹’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America, EURO or “€” are Euro currency.
- All references to the word ‘Lakh’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

## FORWARD LOOKING STATEMENTS

All statements contained in the Draft Prospectus that are not statements of historical facts constitute “Forward Looking Statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products/services;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections/chapters “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and analysis of financial position and results of operations*” on page nos. 19, 104 and 158 respectively of this Draft 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.

Forward looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes 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. None of our Company, the Directors, the LM, or 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.



## SECTION II – SUMMARY OF DRAFT PROSPECTUS

### PRIMARY BUSINESS OF THE COMPANY

Our company specializes in the manufacturing of Polypropylene (PP) spun bond Non-Woven Fabric, utilizing the latest updated technologies and machineries. Product is naturally Hydrophobic fabric, it repellent water and liquid forms, PP Spunbond is highly versatile and it meets the need of diverse range of products like medical, hygienic and industrial market application. PP spun bond non-woven fabric has wide range of varieties in terms of sizes, colour and density. As on the date of this Draft Prospectus, we manufacture PP non-woven fabric between 2.6 to 4 meters width and 08 GSM to 150 GSM weight.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

The global polypropylene nonwoven fabric market size was estimated at 28.83 billion in 2023 and is expected to grow at a compound annual growth rate (CAGR) of 6.8% from 2024 to 2030. The product demand is expected to witness significant growth over the projected period on account of rising product demand in end-use industries including hygiene, medical, automotive, agriculture, and furnishing. High demand for polypropylene non-woven fabric in the hygiene industry for manufacturing sanitary products for babies, women, and adults is likely to drive industry growth.

Spun bonded technology is the most widely used manufacturing process for polypropylene non-woven fabrics. Low cost and easy production process associated with this technology have been the key factor for a higher market share of these products. The demand for melt blown and composite products is expected to grow in geotextiles and industrial applications on account of their high moisture barrier and high strength properties. However, the high cost associated with melt blown polypropylene nonwoven fabrics is expected to hamper their market growth over the projected period.

For more details, please refer chapter titled “*Industry Overview*” on page no. 95 of this Draft Prospectus.

### NAME OF PROMOTERS

The Promoters of Our Company are Mr. Pravinchandra Shamjibhai Dhanani, Mr. Sureshkumar Babubhai Gajera, Mr. Ashvinkumar Damjibhai Boda, Mr. Chetankumar Makanbhai Patel and Mr. Dhansukhbhai Nanjibhai Kakadiya. For detailed information on our Promoters and Promoters’ Group, please refer to Chapter titled “*Our Promoters and Promoters’ Group*” on page no. 148 of this Draft Prospectus.

### SIZE OF THE ISSUE

Our Company is proposing the public issue of 25,40,000 equity shares of face value of ₹10/- each of (“SCAP” or the “Company” or the “Issuer”) for cash at a price of ₹68/- per equity share including a share premium of ₹58/- per equity share (the “Issue Price”) aggregating to ₹1,727.20 Lakhs (“The Issue”), of which 1,32,000 equity shares of face value of ₹10/- each for cash at a price of ₹68/- per equity share including a share premium of ₹58/- per equity share aggregating to ₹89.76 Lakhs will be reserved for subscription by market maker to the issue (the “Market Maker Reservation Portion”), the issue less the market maker reservation portion i.e. net issue of 24,08,000 equity shares of face value of ₹10/- each at a price of ₹68/- per equity share including a share premium of ₹58/- per equity share aggregating to ₹1,637.44 Lakhs is herein after referred to as the “Net Issue”. The issue and the net issue will constitute 26.62% and 25.24% respectively of the post issue paid up equity share capital of our company.

### OBJECT OF THE ISSUE

Particulars	Rs. in Lakhs
Gross Issue Proceeds	1,727.20
Less: Public Issue Related Expenses	150.00
Net Issue Proceeds	1,577.20

The Net Issue Proceeds will be utilized for following purpose:

S. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue Proceeds	% of Net Issue Proceeds
1.	To Repayment of loan	679.80	39.36	43.10

S. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue Proceeds	% of Net Issue Proceeds
2.	To Meet Incremental Working Capital Requirements	597.20	34.58	37.86
3.	To Purchase Plant and Machinery	168.00	9.73	10.65
4.	General Corporate Purpose	132.20	7.65	8.39
<b>Net Issue Proceeds</b>		<b>1,577.20</b>	<b>91.32</b>	<b>100.00</b>

## SHAREHOLDING

The shareholding pattern of our Promoters and Promoters' Group before and after the Issue is as under:

S. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity Shares	As a % of Issued Capital*
<b>Promoters</b>					
1.	Mr. Pravinchandra Shamjibhai Dhanani	15,40,000	22.00	15,40,000	16.13
2.	Mr. Chetankumar Makanbhai Patel	15,40,000	22.00	15,40,000	16.13
3.	Mr. Ashwinbhai Damjibhai Boda	15,33,000	21.90	15,33,000	16.06
4.	Mr. Dhansukhbhai Nanjibhai Kakadiya	8,33,000	11.90	8,33,000	8.72
5.	Mr. Sureshkumar Babubhai Gajera	15,33,000	21.90	15,33,000	16.06
<b>Total – A</b>		<b>69,79,000</b>	<b>99.70</b>	<b>69,79,000</b>	<b>73.08</b>
<b>Promoters' Group</b>					
1.	Mr. Princekumar Ashwinbhai Boda	7,000	0.10	7,000	0.07
2.	Mr. Rajesh Dhansukhbhai Kakadiya	7,000	0.10	7,000	0.07
3.	Mr. Himanshu Sureshbhai Gajera	7,000	0.10	7,000	0.07
<b>Total-B</b>		<b>21,000</b>	<b>0.30</b>	<b>21,000</b>	<b>0.22</b>
<b>Public</b>					
1.	Others-Public**	-	-	25,40,000	26.70
<b>Total-C</b>		<b>-</b>	<b>-</b>	<b>25,40,000</b>	<b>26.70</b>
<b>Total Promoters and Promoters' Group (A+B+C)</b>		<b>70,00,000</b>	<b>100.00</b>	<b>70,00,000</b>	<b>100.00</b>

\*Rounded off.

## RESTATED FINANCIALS STATEMENTS

(₹ in Lakhs)

S. No.	Particulars	For the year ended 30 <sup>th</sup> September 2024	For the year ended on s,		
			2024	2023	2022
1.	Share Capital	700.00	700.00	700.00	700.00
2.	Net worth	1549.75	1,414.52	1,174.95	1,407.88
3.	Revenue from operations	2125.71	4,094.87	2,386.13	8,716.06
4.	Profit After Tax	135.23	239.57	(232.93)	191.89
5.	Earnings Per Share – Basic	1.93	3.42	(3.33)	2.74
6.	Earnings Per Share – Diluted	1.93	3.42	(3.33)	2.74
7.	NAV per Equity Shares	22.14	20.21	16.78	20.11
8.	Total Borrowings (As per Balance Sheet)	575.74	1,244.54	1,768.34	2,940.55

## AUDITORS' QUALIFICATIONS

There is no Auditor qualification which have not been given effect to in the Restated Financial Statements.

## OUTSTANDING LITIGATIONS

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

Particulars	By the Company	Against the Company
Civil Proceedings	Nil	Yes
Criminal Proceedings	Nil	Nil
<b>Tax Proceedings:</b>		
- Direct Tax	Nil	Nil
- Indirect Tax	Nil	Yes
Other Proceedings	Nil	Nil

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page no. 175 of this Draft Prospectus.

## RISK FACTORS

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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on page no. 20 of this Draft Prospectus.

## CONTINGENT LIABILITIES

There are no contingent liabilities during the financial years ended on 30<sup>th</sup> September 2024, March 31, 2024, 2023 and 2022.

For details about our Contingent Liabilities please refer section titled “*Restated Financial Statements*” beginning on page no. 155 of this Draft Prospectus

## RESTATED CONSOLIDATED RELATED PARTY TRANSACTIONS

### A. LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIP:

Relationship With Promoter	Sureshbhai Babubhai Gajera	Chetan Makanbhai Patel	Ashwinkumar Damjibhai Boda	Pravinchnadra Shamjibhai Dhanani	Dhansukhbhai Nnanjibhai Kakadiya
<b>Father</b>	Babubhai Nagjibhai Gajera	Makanbhai Govindbhai Patel	Late. Damjibhai Mavjibhai Boda	Shamjibhai Kamjibhai Dhanani	Late. Nanjibhai Gopalbhai Kakadiya
<b>Mother</b>	Kantaben Babubhai Gajera	Manjuben Makanbhai Gambhava	Ranguben Damjibhai Boda	Late. Manekben Shamjibhai Dhanani	Kantaben Nanjibhai Kakadiya
<b>Brother</b>	Rajeshbhai Babubhai Gajera Hiteshbhai Babubhai Gajera	-	Mukeshbhai Damjibhai Boda Kantibhai Damjibhai Boda	Pankanjbhai Shamjibhai Dhanani	Hasmukhbhai Nanjibhai Kakadiya Vinubhai Nanjibhai Kakadiya
<b>Sister</b>	-	Rinaben Birenkumar Hinsu	-	Shilpaben Sanjaykumar Zadaphiya	Kailashben Bharatbhai Gajera

Relationship With Promoter	Sureshbhai Babubhai Gajera	Chetan Makanbhai Patel	Ashwinkumar Damjibhai Boda	Pravinchnadra Shamjibhai Dhanani	Dhansukhbhai Nnanjibhai Kakadiya
<b>Spouse</b>	Truptiben Sureshbhai Gajera	Alkaben Chetanbhai Patel	Ilaben Ashwinbhai Patel	Hinaben Pravinchnadra Dhanani	Manishaben Dhansukhbhai Kakadiya
<b>Son</b>	Himanshu Sureshbhai Gajera Hitanshu Sureshbhai Gajera	Panth Chetan Patel Arsh Chetan Patel	Prince Ashwinbhai Boda	-	Rajesh Dhansukhbhai Kakadiya
<b>Daughter</b>	-	-	-	Dishaben Pravinchnadra Dhanani	Khushbuben Chiragbhai Dayala Poonamben Vishalbhai Ranpariya
<b>Spouse's Father</b>	Nanubhai Dudabhai Harkhani	Vinodbhai Hansrajbhai Nandasana	Late. Vitthalbhai Mavjibhai Javiya	Late. Manjibhai Dhanjibhai Sitapara	Late. Labhubhai Haribhai Gadhiya
<b>Spouse's Mother</b>	Vimlaben Nanubhai Harkhani	Manjuben Vinodbhai Nandasana	Late. Shantaben Vithhalbhai Javiya	Late. Motiben Manjibhai Sitapara	Vilashben Labhubhai Gadhiya
<b>Spouse's Brother</b>	Mrugank Nanubhai Harkhani	Pintubhai Vinodbhai Nandasana	Mukeshbhai Vithhalbhai Javiya	Bharatbhai Manjibhai Patel	Late. Sandipbhai Labhubhai Gadhiya Dipakbhai Labhubhai Gadhiya
<b>Spouse's Sister</b>	Archnaben Hiteshkumar Gajera Daxaben Vipulkumar Mangroliya Jagrutiben Rajnibhai Dhami	-	Kusumben Mansukhbhai Panara Urmilaben Kantilal Vachani Naynaben Bipinbhai Makati Geetaben Amrutlal Shinojiya Late. Kanchanben Vithhalbhai Javiya	Bhavnaben Arvindbhai Malaviya	-

**B. TRANSACTION WITH RELATED PARTIES:**

**(Rs. in Lakhs)**

Particulars	AS AT			
	30 September, 2024	31 March, 2024	31 March, 2023	31 March, 2022
<b>Pravinkumar Dhanani</b>				
Directors Remuneration	30.00	60.00	37.50	75.00
Rent paid	11.61	10.53	10.53	10.53
Interest Paid	-	-	-	10.46
Loan Accepted	-	25.00	-	41.00
Loan Repaid	-	15.00	95.00	50.00
<b>Ashwinkumar Boda</b>	-	-	-	-
Directors Remuneration	30.00	60.00	30.00	60.00
Rent Paid	11.49	10.29	9.69	10.29
Loan Accepted	-	60.00	25.00	44.00
Loan Repaid	-	27.00	70.00	50.00
Interest Paid	-	4.81	7.85	6.65
<b>Chetan Patel</b>	-	-	-	-
Directors Remuneration	30.00	60.00	37.50	75.00
Rent Paid	11.18	9.69	9.69	9.69
Loan Accepted	-	193.35	31.00	86.70
Loan Repaid	75.00	102.10	105.50	171.00
Interest Paid	-	-	-	8.21
<b>Dhansukhbhai Kakadiya</b>		-	-	-
Directors Remuneration	30.00	60.00	30.00	60.00
Rent Paid	5.75	5.28	5.28	5.28
Loan Accepted	-	120.00	75.00	118.50
Loan Repaid	63.50	95.00	135.00	65.00
<b>Sureshbhai Gajera</b>		-	-	-
Directors Remuneration	30.00	60.00	30.00	-
Rent Paid	10.86	9.69	9.69	-
Loan Accepted	99.03	66.50	400.00	60.00
Loan Repaid	155.03	261.20	95.00	150.00
Interest Paid	-	-	-	11.23
<b>Pankajbhai Dhanani</b>		-	-	-
Interest Paid	-	-	-	4.20
Loan Accepted	-	-	-	-
Loan Repaid	-	-	-	3.78
<b>Rajeshbhai Gajera</b>		-	-	-
Salary Paid	3.30	-	-	4.77
Loan Repaid	3.95	10.00	-	66.00
<b>Rajeshbhai Kakadiya</b>		-	-	-
Interest Paid		-	-	0.57
Salary Paid		0.21		
Loan Repaid	14.90	-	-	1.50
<b>Babubhai Gajera</b>		-	-	-
Interest Paid	-	-	-	5.03



Particulars	AS AT			
	30 September, 2024	31 March, 2024	31 March, 2023	31 March, 2022
Loan Accepted	-	22.00	-	-
Loan Repaid	-	-	-	25.00
Commission on sales	-	5.39		
<b>Makanbhai Patel</b>		-	-	-
Rent Paid	0.45	0.90	-	-
Interest Paid	-	-	-	1.09
Loan Repaid	-	7.14	-	10.00
<b>Shamjibhai Dhanani</b>	-	-	-	-
Interest Paid	-	-	-	4.80
Loan Accepted	-	-	-	-
Loan Repaid	-	-	-	4.32
<b>Hiteshbhai Gajera</b>	-	-	-	-
Interest Paid	-	-	-	2.18
Loan Repaid	-	21.83	-	50.00
<b>Kantaben Kakadiya</b>		-	-	-
Interest Paid	-	-	-	1.46
Loan Repaid	-	19.46	-	-
Loan Accepted	-	-	6.00	-
<b>Himanshu Gajera</b>		-	-	-
Interest Paid	-	-	-	0.40
Salary Paid	4.20	4.20	-	0.40
Loan Accepted	-	-	7.50	-
Loan Repaid	10.00	-	4.50	-
Rent paid	0.59	-	-	-
<b>Prince Boda</b>		-	-	-
Salary Paid	-	-	-	20.10
<b>Alka Patel</b>		-	-	-
Interest Paid	-	-	-	-
Salary Paid	3.60	7.20	-	12.29
Loan Repaid	2.10	-	-	1.47
Loan Received	-	-	2.10	-
<b>Hinaben Dhanani</b>		-	-	-
Salay Paid	5.28	10.56	-	-
Interest Paid	-	-	-	1.79
Rent paid	0.59	0.69		
Loan repaid	6.00	10.00		
<b>Hitanshu Gajera</b>		-	-	-
Interest Paid	-	-	1.39	1.25
Salary Received	-	-	-	0.40
Loan repaid	12.83	-	-	-

Particulars	AS AT			
	30 September, 2024	31 March, 2024	31 March, 2023	31 March, 2022
<b>Ilaben Boda</b>		-	-	-
Interest Paid	-	-	-	1.49
Rent paid	0.59	0.69	-	-
Salary paid		7.20	-	-
Loan repaid	13.75	-	-	-
<b>Kantaben Gajera</b>		-	-	-
Interest Paid		-	-	0.54
Loan repaid	4.98			
<b>Manishaben Kakadiya</b>		-	-	-
Interest Paid	-	-	-	2.20
Loan Received	-	-	-	-
Loan Repaid	-	20.36	-	-
Salary Paid	2.52	4.20	-	-
Rent paid	0.32	0.38		
<b>Trupti Gajera</b>		-	-	-
Salary Paid	1.92	7.20	-	12.29
Interest Paid	-	-	-	-
Loan Repaid	-	-	-	27.84
<b>Vinubhai Kakadiya</b>		-	-	-
Salary Paid	-	-	-	-
Interest Paid	-	-	-	-
Loan Repaid	-	40.17	-	-

**C. OUTSTANDING BALANCE WITH RELATED PARTIES:**

(₹ in Lakhs)

Balances at the Year end	AS AT			
	30 September, 2024	31 March, 2024	31 March, 2023	31 March, 2022
<b>Credit Balances</b>				
Pravinkumar Dhanani	18.27	18.01	24.63	128.36
Ashivnkumar Boda	22.21	88.23	70.00	103.37
Chetan Patel	39.65	107.60	34.98	100.43
Dhansukhbhai Kakadiya	21.42	63.50	58.20	108.30
Sureshbhai Gajera	171.74	359.30	417.41	95.70
Hiteshbhai Gajera	-	-	21.83	21.83
Pankajbhai Dhanani	-	0.00	-	35.00
Rajesh Gajera	0.55	3.95	-	19.95
Rajesh Kakadiya	-	14.90	-	5.90
Babubhai Gajera	52.23	52.23	30.23	30.23
Makanbhai Patel	0.23	0.90	7.14	20.36
Shamjibhai Dhanani	-	0.00	-	40.00
Hiteshbhai Gajera	-	0.00	-	21.83
Kantaben Kakadiya	-	4.98	19.46	13.46
Himanshu Gajera	-	0.00	10.00	7.00
Hitanshu Gajera	0.80	12.83	12.83	11.58
Prince Boda	-	0.70	-	-
Alka Patel	0.60	2.10	-	-
Hinaben Dhanani	6.43	11.45	21.45	21.45

Ilaben Boda	0.10	13.75	13.75	13.75
Kantaben Gajera	-	4.98	4.98	4.98
Manishaben Kakadiya	0.47	0.00	-	20.36
Trupti Gajera	0.32	0.00	-	-
Vinubhai Kakadiya	-	33.00		

For details about our Related Party Transaction please refer section titled “*Restated Financial Statements*” beginning on page no. 155 of this Draft Prospectus.

## FINANCING ARRANGMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the financing entity) during the period of six months immediately preceding the date of this Draft Prospectus.

## WEIGHTED AVERAGE COST

Weighted average price at which the Equity Shares were acquired by our Promoters in Last One Year:

S. No.	Name of Promoters	No. of Equity Shares Acquired during last one Year	Weighted Average Price* (in Rs. per equity share)
1.	Pravinchandra Shamjibhai Dhanani	15,40,000	1.64
2.	Chetankumar Makanbhai Patel	15,40,000	1.62
3.	Ashwinbhai Damjibhai Boda	15,33,000	1.71
4.	Dhansukhbhai Nanjibhai Kakadiya	8,33,000	2.38
5.	Sureshkumar Babubhai Gajera	15,33,000	2.37

\*Weighted Average Price of Promoter is Nil due to Bonus Issue of Equity Shares dated February 20<sup>th</sup>, 2023.

\*As per the Certificated provided by M/S KPCM and Company, Chartered Accountant, dated December 05<sup>th</sup>, 2024.

## AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTERS

S. No.	Name of Promoters	No. of Equity Shares Acquired during last one Year	Average Price* (in Rs. per equity share)
1.	Pravinchandra Shamjibhai Dhanani	15,40,000	1.64
2.	Chetankumar Makanbhai Patel	15,40,000	1.62
3.	Ashwinbhai Damjibhai Boda	15,33,000	1.71
4.	Dhansukhbhai Nanjibhai Kakadiya	8,33,000	2.38
5.	Sureshkumar Babubhai Gajera	15,33,000	2.37

\*The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Draft Prospectus.

## PRE-IPO PLACEMENT

Our Company has not allotted any shares under Pre-IPO Placement.

## ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued shares for consideration other than cash during last one year. For further details regarding Issue of Shares please refer chapter titled “*Capital Structure*” on page no. 48 of this Draft Prospectus.

## SPLIT / CONSOLIDATION

No Split or Consolidation were happened during the last one year.

## EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

## SECTION III- RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Draft Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Draft Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

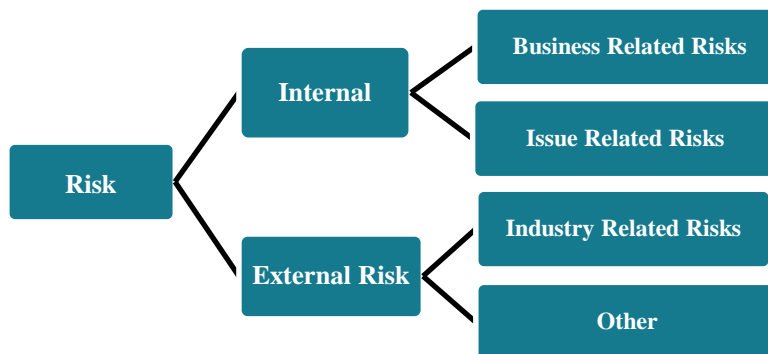
If any one or more of the following risks as well as other risks and uncertainties discuss in the Draft Prospectus were to occur, our financial condition and results of our operation could suffer material adverse effects and could cause the trading price of our equity shares and the value of investment in the equity share and the value of equity shares to materially decline which could result in the loss of all or part of the investment. Prospective Investors should pay particular attention to the fact that our Company is incorporate under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respect from that of other countries.

The Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Prospectus.

### MATERIALITY

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

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



### NOTE

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

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “*Risk Factors*” and elsewhere in this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.

Unless otherwise specifically provided in the respective Risk Factors given below, the amounts of impact of risks specified hereunder, on our financial conditions, are not quantifiable.

### INTERNAL RISK FACTORS

**1. The Company has incurred Losses during the financial year ended on March 31<sup>st</sup>, 2023.**

We have incurred restated loss during the last financial year ended on March 31<sup>st</sup>, 2023 of ₹ 232.93 Lakh. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page no. 158 of this Draft Prospectus.

The Restated Loss for FY 2022-23 was ₹232.93 Lakhs as against Profit of ₹191.89 Lakhs in the FY 2021-22. The main reason for decrease in profit and resulting in loss was due to drastic decrease in revenue from operations. Even though there is decrease in revenue from operations, the Company had to bear certain fixed expenses like Staff salary and welfare expense, Interest Cost, Power and Fuel and Depreciation & Amortization Expense. Moreover, even though there is decrease in revenue, the Company had not retrenched any of its employee. Certain major plant and machinery requires more time for heating while starting and shut downing which is almost 12 hours due to which though, there was under utilization of capacity, power and fuel cost of the Company remained almost constant during the F.Y. 2022-23 as against F.Y. 2021-22. Fixed cost like Finance Cost and Depreciation & Amortization Expense also remained almost constant during the F.Y. 2022-23 as against F.Y. 2021-22. Accordingly, major revenue loss and on contrary constant fixed expenses resulted into loss of ₹ 232.93 Lakh during the F.Y. 2022-23.

**2. Our Company is dependent on few numbers of customers for sales. Loss of any of this large customer may affect our revenues and profitability.**

Our top ten customers contribute 99.67%, 99.03%, 99.80% and 99.21% of our total sales for the half year ended on 30<sup>th</sup> September, 2024 and financial year ended on March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022 respectively. Our Company is engaged in the business of manufacturing of Polypropylene (PP) Spun bond Non-Woven Fabric. Our business operations are highly dependent on our customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Any decline in our quality standards, growing competition and any change in demand may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change, as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

**3. Our Company is dependent on few States. Loss of any of this large States may affect our business operations.**

Our domestic Sales are dependent on the Top 5 States including Dadra and Nagar Haveli and Diu, Maharashtra, Gujarat, Odisha, Rajasthan. We generate almost 100% of the revenue of the Total Domestic Sales generated as on 30<sup>th</sup> September 2024, March 31<sup>st</sup>, 2024, 2023 and 2022 respectively from these 5 states. Our domestic sales are depending on the above states and in future if any we are not able to sale our products to these states our revenue will impact majorly.

**4. Our Company is dependent on few Countries. Loss of any of this large Countries may affect our business operations.**

Our Export Sales are dependent on the Top 2 Countries including Canada and USA. We generate almost 100% of the revenue of the Total Export Sales generated as on 30<sup>th</sup> September 2024, March 31<sup>st</sup>, 2024, 2023 and 2022 respectively from these 2 Countries. Our export sales are depending on the above Countries and in future if any we are not able to sale our products to these Countries our revenue will impact majorly.

**5. Our Company is dependent on a few suppliers for purchase of product. Loss of any of these large suppliers may affect our business operations.**

Our top ten suppliers contribute 91.65%, 76.69%, 97.79% and 91.72% of our total purchases for the half year ended on 30<sup>th</sup> September, 2024 and for the year ended on March 31, 2024, 2023 and 2022 respectively. We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of



operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

**6. *The Statutory Auditor and the Peer Review Auditor of the company are not same.***

The Company's Statutory Auditor and Peer Review Auditor are separate entities, although both hold Peer Review Certificates. The Peer Review Auditor was appointed via a resolution dated August 03<sup>rd</sup>, 2023. Subsequently, the Statutory Auditor, M/s Karma & CO LLP, Chartered Accountants, was appointed through a resolution dated September 30, 2024, following the expiry of the previous Statutory Auditor's tenure.

**7. *Our operations are subject to fire hazards and similar risks that could expose us to material liabilities, loss in revenues and increased expenses.***

There are risks associated with our business activities, such as deadly accidents and mishaps or other uncontrollable force majeure events. We cannot guarantee that such incidents won't happen in future, since in such a case we would be obliged to pay compensation and other relevant expenses in connection with any tragic accidents that have happened at our facility. We might be exposed to a variety of dangers throughout the maintenance phase that we weren't able to anticipate or for which we didn't have sufficient insurance coverage. Although, our company has not faced any such incidences which had an adverse effect on our conducting our business operations.

In addition, there are risks associated with our operations that come with providing engineering services, like the possibility of equipment failure, work-related accidents, fire, or explosion. These risks can result in serious harm to individuals or death, severe damage to or destruction of property and equipment, and environmental harm. If such an incident occurs, we could have to reimburse the losses incurred, which could seriously harm our brand, operations, finances, and financial health.

**8. *We do not own the premises in which our registered office and manufacturing plant is located and the same are on lease/rent arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by Property Owner could adversely affect our operations.***

Our registered office and Factory - 1 premises is situated at Block No. 41, Plot No. 49 to 55 and 58 to 64, R.S No. 421, 424, 425 and 536, 237.92 sq mtr., Village Pipodra, Taluka-Mangrol, District – Surat. Further Factory-2 and Factory-3 are situated at Block No. 358, Unit No. D-5 Paiki, D-6 and D-7 in Private Plot No. 01, 02, 03, Village-Moje Nandav, Taluka-Mangrol, District – Surat and Block No. 409, R.S. No. 411, 420 and 422 of village Pipodara, Taluka Mangrol, District-Surat, respectively.

Our manufacturing plant is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of the risks could significantly affect our operating results. We carry out planned shutdowns of our plant for maintenance. Although we have not faced any instances in past and also we take precautions to minimize the risk of any significant operational problems at our facility, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facility, including due to any of the factors mentioned above.

For details, please refer to “*Business Overview*” page no. 104 of this Draft Prospectus. Our business operations are also conducted from the said premises

**9. *Our Company has not entered into any agreements/contracts for the supply of raw material and other utilities. Risks related to shortfall or non-availability of raw material and other utilities may adversely affect our manufacturing processes and have an adverse impact on our operations and financial condition.***

We do not have long term arrangements with our vendors/suppliers and we operate on a purchase order basis. There are no long-term supply agreements for our raw material and other utilities. Our inability to obtain high quality raw materials in a timely and cost-effective manner would cause delays in our production and delivery schedules besides increasing cost of production, which may result in us losing some customers and hence could lead to reduction in revenues. Hence, we also face market risks for each of these products.

**10. We will continue to be controlled by our Promoters after the completion of the Issue.**

As of the date of this Draft Prospectus, our Promoters and Promoter Group hold almost 100% of the issued, subscribed and paid-up equity share capital of our Company. Upon completion of the issue, our Promoters and certain members of the Promoter Group together will own 73.30% of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Board or shareholders for approval. After this Issue, our Promoters will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to the following:

- Controlling the election of directors;
- Controlling the selection of senior management;
- Approving significant corporate transactions, including acquisitions and disposals of our assets or business, or change of control transactions;
- Making overall strategic and investment decisions;
- Approving our annual budgets; and
- Amending our Memorandum and Articles of Association.

The interests of our Promoters and certain members of the Promoter Group may conflict with your interests and the Interests of our other shareholders, and our Promoters and certain members of the Promoter Group could make decisions that may adversely affect our business operations and hence the value of your investment in the Equity Shares.

**11. One of our Group Company and also Promoter Group Entity is engaged in similar line of business. Any conflict of interest may occur between our group companies or our promoter group entities and us may adversely affect our business, prospects, results of operations and financial condition.**

Our Company is engaged in the business of manufacturing of PP Spun Bond non-woven fabrics. Our Group Company and Promoter Group Entity, Scap Tex Coat Private Limited, also operates in the same industry.

Potential conflicts of interest may arise when allocating business opportunities among our Company In such cases, our Promoters might prioritize the interests of the Group Entities in which they have a stake, potentially to the detriment of our Company.

There can be no assurance that our Promoters/Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our business, results of operations and financial condition. For further details please refer to chapter titled “*Information with respect to group companies/ entities*” beginning on page no.183 of this Draft Prospectus.

**12. Our Company, Promoters, Directors and Group Companies are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.**

Our Company, Promoters, Directors and Group Companies are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to civil matters, Income Tax matters, actions by regulatory/ statutory authorities have been set out below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Other regulatory authorities	Amount Involved (₹ in Lakhs)
Company	By	Nil	Nil	Nil	Nil	Nil
	Against	Yes	Nil	Yes	Nil	8.72
Promoter	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Group Companies / Entities	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Directors other	By	Nil	Nil	Nil	Nil	Nil

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Other regulatory authorities	Amount Involved (₹ in Lakhs)
than promoters	Against	Nil	Nil	Yes	Nil	37.68
<b>Total</b>		-	-	-	-	<b>46.40</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Prospectus. For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page no.175 of this Draft Prospectus.

Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against us or our Company, Group Company, our Directors and Promoters, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

**13. We have experienced significant working capital requirements in past and may continue to experience in future also. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.**

The business of our Company is working capital intensive. The successful operation of our business heavily relies on significant working capital, which is essential for various aspects, including financing project operations, inventory management, and the purchase of raw materials and may continue to so in future also. However, changes in credit terms and payment delays can adversely impact our working capital, resulting in lower cash flows and increased funding requirements. Inadequate financing of our working capital needs may arise due to several factors, such as delays in disbursements under financing arrangements, higher interest rates, increased insurance costs, or borrowing and lending restrictions. Such circumstances could have a material adverse effect on our overall business, financial condition, and prospects.

As such, we continually strive to enhance our financial management practices to effectively address working capital challenges. By closely monitoring credit terms, payment schedules, and contract agreements, we aim to mitigate risks associated with fluctuations in working capital requirements. Additionally, prudent financial planning, exploring diverse financing options, and maintaining strong relationships with financial institutions are key factors in managing our working capital efficiently. Despite our proactive measures, there can be no assurance that working capital fluctuations will not impact our business operations or financial performance. For details related to working capital requirement, please refer to chapter titled as “*Object of the Issue*” on page no.76.

**14. Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.**

We are insured for a risk associated with our business, through policies. We believe that we have got our assets and stock adequately insured, however our policy of covering these risks through insurance may not always be effective or adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. . In past our company has not incurred any losses and has not made any insurance claims exceeding the liability insurance coverage provided by the insurance company, but we cannot assure that the same will not occur in future and if such incident occur in future this will impact financial position of our company. For details on insurance policies taken by our Company please page no. 104 in chapter titled “*Business Overview*”.

**15. We are dependent on third party transportation providers for procuring raw material from our suppliers and delivery of trading goods and materials to our clients. Any failure on the part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.**

We are dependent on third party transportation for procuring raw material for manufacturing and purchase and sell of trading materials. As Manufacturing is our main activities, our success depends on the smooth supply and

transportation of the Raw Materials from our suppliers and transportation of our trading materials from our suppliers to us/ or our buyers/clients, both of which are subject to various uncertainties and risks.

In addition, materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of materials which may also affect our business and our results of operation negatively. Although we have not faced any past instances but in future if we fail to maintain a continuous supply of materials to us as well as to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

***16. Failure to manage our appropriate level of inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

We are engaged in the business of manufacturing of Polypropylene (PP) Spun Bond Non-Woven Fabric. We are required to maintain sufficient level of raw materials and finished goods for uninterrupted manufacturing process and delivery of goods to the end users. Therefore, any delay in supply of requisite quantity / quality of our manufactured products will result in escalation or may affect our profitability and our image in the market. Although we have not faced any instances in past.

***17. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.***

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us, hiding unauthorized or unsuccessful activities from us or the improper use of confidential information. Such misconduct could result in unexpected business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. Although we have not faced any instances in past. As a precautions we take to prevent and detect these activities may not be effective. Any delinquencies or trading errors on the part of our employees could materially affect our business operations, financial position and/or reputation.

***18. A shortage or non-availability of electricity or water may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing operations require a significant amount and continuous supply of electricity and water and any shortage or non-availability may adversely affect our operations. The production process of certain products, as well as the storage of our products at particular temperatures requires significant power. We currently source our water requirements from private water suppliers and depend on state electricity supply for our energy requirements. Any failure on our part to obtain alternate sources of electricity or water in a timely fashion and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition. Although we have not faced any instances in past.

***19. Dependence on debt and outflow of finance cost leads to outflow of cash flows and reduce overall profitability.***

Due to manufacturing activities, our business requires significant working capital. We depend on internal accrual, creditors and borrowed fund to meet our finance for working capital. We may also be required to depend on the additional borrowed capital to fund the working capital in future with increase in volume of operations and production. The additional borrowed fund may require us to dedicate a substantial portion of our cash flow from operations to payments of interests, thereby reducing the availability of our cash flow to fund capital expenditures and other general corporate expenditures. It limits our borrowing ability and places us at a competitive disadvantage relative to competitors that have less debt or greater financial resources. There can be no assurance that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all of our indebtedness.

***20. Our manufacturing activities are dependent upon availability of skilled and unskilled labour.***

We have made arrangement of labour requirements at our manufacturing facility through our on-roll employees, wherever required by our Company by arranging contract labour based on requirement. Our manufacturing activities are dependent on availability of skilled and unskilled labour. Though our business has not experienced any disruptions due to non-availability of labour or any disputes with them in past, we cannot assure you the same in future which may affect our production schedule and timely delivery of our products to customers which may adversely affect our

business and result of operations. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. Any high attrition or competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects. For further details about business of our Company, please refer chapter titled “*Business Overview*” beginning on page no. 104 of this Draft Prospectus.

**21. *Our success depends on our ability to attract and retain our key management personnel. If we are unable to do so, it would adversely affect our business and results of operations.***

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for management, running of our daily operations, and the planning and execution of our business strategy. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in our business and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired. We face specific disadvantages in our efforts to attract and retain our management. As a public sector undertaking, Government of India policies regulate and control the emoluments, benefits and perquisites that we pay to our employees, including our key managerial and technical personnel and these policies may not permit us to pay at market rates.

Additionally, we may not have in place the necessary systems and processes to develop key personnel internally. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would materially and adversely affect our business, prospects and results of operations.

**22. *We intend to use a portion of the Net Proceeds to prepay / repay certain loan facilities.***

One of the objects of the Issue is the pre-payment / repayment of certain loan facilities, in full or in part, availed by our Company. Our Company intends to utilise an amount of up to ₹ 679.80 Lakhs from the Net Proceeds, constituting 39.36% of the total Fresh Issue Size, towards the prepayment / repayment of these loan facilities. For details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds, without any obligation to any particular bank or financial institution, see “*Objects of the Issue*” beginning on page no. 62 of this Draft Prospectus. The amount utilized to prepay / repay these loans will, therefore, not be available for investment in our business and will not result in any immediate increase in the value of your investment in our Equity Shares.

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

Our Company has entered into related party transactions with our Promoters, Directors, Promoter Group members in the past. For details of these transactions, please refer Related party transactions on page no. 15, under the section titled “*Summary of Draft Prospectus*” beginning on page 12 of this Draft Prospectus. While our Company confirms that all such transactions have been conducted on an arm’s length basis and are accounted as per AS 18 and are in compliance with the provisions of the Companies Act, 2013 and other applicable laws, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transactions with related parties, that the terms of the transactions will be favourable to us. Additionally, while it is our belief that all our related party transactions have been conducted on an arm’s-length basis, we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. We may also enter related party transactions in the future, which could involve conflicts of interest, although going forward, all related party transactions that we may enter will be subject to audit committee or board or shareholder approval, as applicable, as under the Companies Act, 2013 and the SEBI (LODR) Regulations. As such, we can provide no assurance that these transactions will not adversely affect our business, results of operation, cash flows and financial condition.

**24. *Unsecured loans taken by our Company can be recalled by the lenders at any time.***

Our Company has currently availed unsecured Long and Short Term loans of ₹ 291.58 Lakhs from certain lenders. These loans may be recalled by the lenders at any time. In the event that, any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all and this may affect our Company's liquidity. If we are unable to procure such financing, we may not have adequate working capital to maintain the desired inventory level. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, see "Financial Indebtedness" on page no. 166 of this Draft Prospectus.

**25. In addition to regular remuneration, other benefits and expense reimbursement our Promoters, Directors, KMPs and SMPs hold a vested interest in our Company; to the extent of their shareholding and associated dividend entitlements. They also have a stake in transactions involving our Company, whether with themselves individually or with our group companies/entities. Our Company in future may enter in related party transactions subject to necessary compliances.**

Our Promoters, Directors, KMPs are interested in our Company to the extent of their shareholding and associated dividend entitlements thereon in our Company, in addition to regular remuneration or benefits and expenses reimbursement. Our Promoters, Directors, KMPs are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Company/Entity. All transactions with related parties entered into by the Company in past were at arm's length basis, in compliance with applicable provisions of Companies Act, 2013 and other applicable provisions. Our Company, promoters and group companies may enter into such related party transaction in future as well which may be or may not be at Arms' Length Price and in Ordinary Course of Business. If such future transactions are not on Arms' Length Price and in Ordinary Course of Business, our financial position may get affected to that extent.

Additionally, our Company may enter in related party transactions in future subject to necessary compliances in accordance with relevant acts, rules and regulations. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last three years and stub period, please refer to the under the Chapter titled "Restated Financial Statements" beginning on page no. 155. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**26. Strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees/workmen in future could adversely affect our business and results of operations.**

Our Company has total 80 employees as on September 30, 2024, with an increase in our operation capacities or execution of any expansion projects in future, we expect increase in such number of employees and labours. Historically, we have enjoyed a good relationship with our employees, labours and have not experienced any lockouts, strikes, or any disruptions of any sort due to labour unrest. Although we have not faced any instances in past. However, there can be no assurance that we may not experience any disruptions in our operations in future as well. In case of disputes or other problems with our work force such as strikes, work stoppages or increased wage demands, our business, financial conditions and results of operations may be materially and adversely affected.

**27. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state, and local government rules in India, generally for carrying out our business. Most of these approvals are granted for a limited duration. While we are required to obtain several approvals for legally conducting our business operations and we submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. There are few government approvals which we have applied to the appropriate government authorities however we are yet to receive approvals from them. Moreover, few of the government approvals are in the name of private limited. For details related to Government Approval applied but approval pending, please refer to chapter titled as "Government and Other Approvals" on page no.180. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition



and results of operations. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure by us to comply with the applicable regulations in the future, or if the regulations governing our business are amended, we may 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.

In case we fail to comply with these requirements, or a regulator alleges non-compliance with these requirements, we may be subject to penalties and proceedings may be initiated against us. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments may adversely affect our business, results of operations and financial conditions. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

Failure on our part to renew or maintain such permits, licences or approvals may result in the interruption of our operations and may have a material impact on our business. In the future, we may also be required to obtain new permits and approvals for our proposed operations. While we believe that we will be able to obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to maintain or obtain the required permits or approvals, may result in the interruption of our operations or delay or prevent our expansion plans and may have a material and adverse effect on our business, financial condition and results of operations.”

***28. Compliance with and changes in safety, health and environmental laws and various labour, workplace and related laws and regulations impose additional costs and may increase our compliance costs and a such adversely affect our results of operations and our financial condition.***

We are subject to a broad range of safety, health and environmental laws and various labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, employee exposure to hazardous substances and other aspects of our operations. Compliance with, and changes in these laws may increase our compliance costs and as such adversely affect our results of operations and financial condition.

***29. If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.***

As of December 31, 2024, our Company had total indebtedness in the form of short term and long-term borrowings of ₹ 1,438.21 Lakhs on restated basis. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements.

Many of our financing agreements also include various conditions and covenants that require us to obtain consent of the lenders prior to carrying out certain activities or entering into certain transactions. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. 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. For further details in this regard, please refer to notes under chapter titled “*Statement of Financial Indebtedness*” beginning on page no. 166 of this Draft Prospectus.

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

To remain competitive and efficient, modernization and technology upgradation are crucial for reducing costs and increasing output. Our business heavily relies on technology and machinery to deliver quality products. However, there is a risk of our technology and machinery becoming obsolete over time or not being upgraded timely, which can adversely impact our operations and financial condition. While we believe that we have implemented updated technology, we understand the importance of continuous improvement. We are committed to staying abreast of the latest technological standards and trends to enhance our capabilities. In the event of a new technology emerging in our industry, we may be required to invest in adopting that technology or upgrading our existing machinery and equipment to remain competitive.

The costs associated with upgrading technology and modernizing machinery are significant, and they can have a substantial impact on our finances and operations. These investments may lead to higher capital expenditures and can temporarily affect our profitability and cash flow. We must carefully assess the potential benefits and returns on such investments to ensure they align with our long-term growth objectives.

Our ability to successfully implement technology upgrades and modernization efforts depends on various factors, including availability of skilled technicians, compatibility of new technology with existing systems, and adequate financial resources. Delays or challenges in adopting new technology can hinder our operational efficiency and competitiveness in the market.

**31. The average cost of acquisition of Equity shares by our Promoters is lower than the Issue price.**

Our Promoter's average cost of acquisition of Equity shares in our Company is lower than the Issue Price of Equity shares as given below:

S. No.	Name of Promoters	No. of Equity Shares Held	Average Cost of Acquisition per equity share (in ₹)
1.	Pravinchandra Shamjibhai Dhanani	15,40,000	1.64
2.	Chetankumar Makanbhai Patel	15,40,000	1.62
3.	Ashwinbhai Damjibhai Boda	15,33,000	1.71
4.	Dhansukhbhai Nanjibhai Kakadiya	8,33,000	2.38
5.	Sureshkumar Babubhai Gajera	15,33,000	2.37

**32. Fraud, theft, employee negligence or similar incidents may adversely affect the results of operations and financial condition.**

Our Company faces potential risks related to incidents of theft or damage to inventory. While we have not encountered such situations in the past, we acknowledge that there is a possibility of experiencing inventory losses due to various factors such as employee theft, vendor fraud, and general administrative errors. These incidents could have a negative impact on the results of operations and financial condition. Despite implementing security measures and internal controls, there is no guarantee that we will completely avoid instances of fraud, theft, employee negligence, or security lapses in the future. Although we have not faced any instances in past, any such occurrence could lead to significant financial losses and affect our overall business performance.

Although we have insurance coverage against losses due to theft, fire, breakage, or damage caused by other casualties, the extent of coverage may not fully mitigate the financial impact of such incidents on our operations and financial condition. In some cases, the losses incurred may exceed the insurance coverage, resulting in additional financial strain for the Company.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. As such our Company has not paid any dividend in past. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity

Shares. There can be no assurance that our Equity Shares will appreciate in value.

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

As per SEBI ICDR Regulations, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**35. *Any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

We propose to utilize the Net Proceeds towards utilization for the To Repayment of loan, To Meet Incremental Working Capital Requirements, To Purchase Plant and Machinery and General Corporate Purpose. For further details of the proposed objects of the Issue, see Chapter titled as “*Objects of the Issue*” beginning on page no. 76 of this Draft Prospectus. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft 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 vary the disclosed utilization 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.

Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the 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, if any, which may adversely affect our business and results of operations.

**36. *Any future issuance of our Equity Shares may dilute prospective investors’ shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

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

We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy. Any issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company’s Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company’s Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our

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

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

The Issue price of the equity shares have been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "*Basis for Issue Price*" beginning on page no. 84 of the Draft Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**38. *The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled as "Objects of the Issue".***

The fund requirement and deployment, as mentioned in the chapter titled as "*Objects of the Issue*" on page no. 76 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter titled "*Objects of the Issue*" on page no. 76 of this Draft Prospectus is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation under chapter titled "*Objects of the Issue*" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control and will be subject applicable rules and regulations. The occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**39. *In the event there is any delay in the completion of the Issue, or delay in schedule of implementation, 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 as has been stated in the chapter titled "*Objects of The Issue*" on page no. 76 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may adversely affect our revenues and results of operations.

**40. *We have not identified any alternate source of raising the funds required for the object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue".***

Our Company has not identified any alternate source of funding for our object of the Issue 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. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details of Please refer chapter titled "*Object for the Issue*" beginning on page no. 76 of this Draft Prospectus.

**41. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required.

As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. The failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange.

**42. Some of our Directors not possess experience of being on the board of any listed company.**

Expect our Independent Directors i.e. Mr. Rajesh Kalubhai Mepani, Mr. Nareshkumar Purshottambhai Lakhani none of our Directors possess experience of being on the board of any listed company and accordingly, may not be adequately well-versed with the activities or industry practices undertaken by the listed company. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and operations of our Company. Further, our Company will also be subject to compliance requirements under the SEBI Listing Regulations and other applicable law post listing of the Equity Share on the Stock Exchanges. Our Board is capable of efficiently managing such compliance requirements including by engaging professionals having expertise in managing such compliances.

**43. There are certain discrepancies and non-compliances noticed in some of our corporate records relating to forms filed with taxation authorities and other public authorities.**

In the past, there have been some instances of delays in filing statutory forms with our such as GST return, Income Tax return and PF returns on several instances and have accordingly been subjected to penalty and charged with interest for delayed deposit of tax on various instances as well. Further, with the expansion of our operations, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

Return type	Month	Due date	Filed date	Delay In Days
Gstr-3b	Jan-24	20-02-2024	21-02-2024	1.00
Gstr-1	June-23	11-07-2023	14-07-2023	3.00
Gstr-1	April-22	20-05-2022	21-05-2022	1.00
Gstr-3b	Jan-22	20-02-2022	21-02-2022	1.00
Gstr-3b	July-21	20-08-2021	21-08-2021	1.00
Gstr-3b	June-21	20-07-2021	24-07-2021	4.00
Gstr-1	June-21	11-07-2021	24-07-2021	13.00

Financial Year	Total Amount of All Establishments Paid	Total No. of Establishments	Establishments With Delayed Payments
2022-2023	.02	1	1
2020-2021	.01	1	1
2019-2020	.01	1	1
2018-2019	.01	1	1
2017-2018	.01	1	1
2016-2017	0	1	1

**44. Our lenders have charge over our movable and immovable properties in respect of finance availed by us and our group company, promoters, Directors and member of promoters group have provided their personal guarantee for such debt facility availed by us.**

We have secured outstanding debt of ₹ 1118.73 Lakhs as on December 31<sup>st</sup>, 2024 and we have secured our lenders by creating charge over our movable and immovable properties and our group company, promoters and directors have provided their personal guarantee for such debt facility availed by us. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders.

Moreover, In the event that any of these guarantees are revoked by promoters, members of promoters group or third party, the lenders for such facilities may require alternate properties as mortgages/guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.

We may not be successful in procuring alternative properties/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.

For further information on the financing and loan agreements along with the total amounts outstanding, please refer to section titled “*Restated Financial Statement*” on page no. 155.

## EXTERNAL RISK FACTORS

After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the stock exchange may fluctuate as a result of the factors, including:

- Volatility in the India and global capital market;
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Adverse media reports on Company;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India’s economic and fiscal policies; and
- Significant developments in India’s environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

***1. An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our business, results of operations and financial condition.***

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

***2. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

***3. Any changes in the regulatory framework could adversely affect our operations and growth prospects .***

Our Company is subject to various regulations and policies. For details see section titled “*Key Industry Regulations*” beginning on page no. 120 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations.



There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**4. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**5. *Entire Revenue of our Company is derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

At present, we derive entire revenue in India, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**6. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company has appointed Swastika Investmart Limited as Lead Manager for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

Once listed, we would be subject to circuit breakers imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index - based market - wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**9. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include

various taxes introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates / slab will continue in the future. Any changes in these tax rates / slabs could adversely affect our financial condition and results of operations.

***10. NSE may not grant Approval for listing of equity shares of our Company.***

Our company will apply for In-principle approval to NSE for its proposed public issue. There is a risk that the National Stock Exchange of India Limited (NSE) may not grant approval for our proposed public issue. The approval process involves rigorous scrutiny of our company's financials, compliance with regulatory requirements, and overall suitability for listing. Despite our best efforts to meet all regulatory standards and provide comprehensive disclosures, there is no guarantee that the NSE will find our application satisfactory. Non-approval by the NSE would significantly impact our ability to access the capital markets and raise the necessary funds for our planned expansions and operations. This could adversely affect our financial condition and future growth prospects. Investors should consider this risk before making any investment decisions. Company had in November, 2018 filed Draft Prospectus with NSE in past.

***11. You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Emerge Platform of NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

***12. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

***13. 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 you may be unable to resell the Equity Shares at or above the Issue Price.***

Prior to the issue, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, there will be liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian and global machine tools industry, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. General or industry-specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of the Equity Shares. In particular, the stock market as a whole in the past has experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

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

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations

currently in effect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

***15. Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

***16. Terrorist attacks or war or conflicts involving India or other countries could adversely affect consumer and business sentiment and the financial markets and adversely affect our business.***

Terrorist attacks and other acts of violence or war may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability. Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighboring countries. Armed conflicts could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a high degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable and we therefore may not be able to foresee events that could have an adverse effect on our business.

## SECTION IV – INTRODUCTION

### THE ISSUE

Present Issue in terms of this Draft Prospectus:

Particulars	Details
Equity Shares offered	25,40,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- each aggregating to ₹1,727.20 Lakhs.
<b>Of which:</b>	
Reserved for Market Makers	1,32,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- each aggregating to ₹89.76 Lakhs.
Net Issue to the Public*	24,08,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- each aggregating to ₹1,637.44 Lakhs
<b>Of which:</b>	
Retail Portion	12,04,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- each aggregating to ₹818.72 Lakhs.
Non-Retail Portion	12,04,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- each aggregating to ₹818.72 Lakhs.
<b>Pre and Post – Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	70,00,000 Equity Shares of ₹10/- each.
Equity Shares outstanding after the Issue	95,40,000 Equity Shares of ₹10/- each.
Use of Proceeds	For details, please refer chapter titled “Objects of the Issue” beginning on page no. 76 of this Draft Prospectus for information on use of Issue Proceeds.

*\*Since present issue is a fixed price issue, the allocation in the net offer 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;

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. In case of joint Applications, the Application Form should contain only the name of the first applicant whose name should also appear as the first holder of the beneficiary account held in joint names. 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.

In case of ASBA Applicants, the SCSB shall be authorized to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

Retail Individual Bidders must ensure that the Bid Amount, does not exceed ₹2,00,000. Retail Individual Bidders should note that while filling the “SCSB/Payment Details” block in the Application Form, Retail Individual Bidders must mention the Bid Amount.

**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.

#### NOTES

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 24<sup>th</sup>, 2023 and by the shareholders of our Company, pursuant to section 62(1)(c) of the Companies Act, 2013, vide a special resolution passed at the Extra-Ordinary General Meeting held on August 01<sup>st</sup>, 2023.

**SUMMARY OF OUR FINANCIAL INFORMATION**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In Lakhs)

PARTICULARS		As at			
		30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>(A)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' Funds</b>				
(a)	Share Capital	700.00	700.00	700.00	100.00
(b)	Reserves & Surplus	849.75	714.52	474.95	1,307.88
		<b>1549.75</b>	<b>1,423.52</b>	<b>1,174.95</b>	<b>1,407.88</b>
<b>2</b>	<b>Non- Current Liabilities</b>				
(a)	Long Term Borrowings	420.83	1,000.87	1,397.01	2,038.32
(b)	Deferred Tax Liabilities (Net)	-	-	-	-
(c)	Other Long-Term Liabilities	-	-	-	-
(d)	Long Term Provisions	64.48	56.75	33.25	45.62
		<b>485.32</b>	<b>1,057.63</b>	<b>1,430.26</b>	<b>2,083.94</b>
<b>3</b>	<b>Current Liabilities</b>				
(a)	Short Term Borrowings	154.90	243.67	371.33	902.23
(b)	Trade Payables				
	(A)outstanding dues of micro enterprises and small enterprises: and	-	-	-	-
	(B)outstanding dues of creditors other than micro enterprises and small enterprises	821.98	20.37	27.37	151.50
(c)	Other Current Liabilities	351.02	61.47	136.75	157.62
(d)	Short Term Provisions	45.96	51.71	0.72	83.27
		<b>1373.06</b>	<b>377.22</b>	<b>536.18</b>	<b>1,294.62</b>
	<b>Total</b>	<b>3408.13</b>	<b>2,849.37</b>	<b>3,141.39</b>	<b>4,786.44</b>
<b>(B)</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-Current Assets</b>				
<b>(a)</b>	<b>Property, Plant and Equipment and Intangible Assets</b>				
	I) Property, Plant and Equipment				
	(i) Net Block	1363.27	1,486.20	1,836.95	2,524.34
	II) Intangible Assets	-	-	-	-
	III) Capital Work-in-Progress	830.45	-	-	-
	IV) Intangible assets under development	-	-	-	-
		<b>2193.71</b>	<b>1,486.20</b>	<b>1,836.95</b>	<b>2,524.34</b>
(b)	Non-Current Investment				
(c)	Deferred Tax Assets (Net)	46.97	42.28	22.89	29.73
(d)	Long Term Loans and Advances	-			
(e)	Other Non-Current Assets	111.32	111.37	194.64	251.77
		<b>158.30</b>	<b>153.64</b>	<b>217.53</b>	<b>281.51</b>
<b>2</b>	<b>Current Assets</b>				
(a)	Trade Receivables	373.36	568.68	481.44	1,137.50
(b)	Cash and Cash equivalents	11.00	86.28	16.88	22.34
(c)	Inventories	376.67	397.89	509.08	611.30
(d)	Short Term Loans and Advances	-	-	-	-
(e)	Other Current Assets	295.09	156.68	79.50	209.46
		<b>1056.12</b>	<b>1,209.53</b>	<b>1,086.90</b>	<b>1,980.60</b>
	<b>Total</b>	<b>3408.13</b>	<b>2,849.37</b>	<b>3,141.39</b>	<b>4,786.44</b>

**RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs)

PARTICULARS	For the year ended on				
	30-09-2024	31-03-2024	31-03-2023	31-03-2022	
<b>1</b>	Revenue from Operations	2125.71	4,094.87	2,386.13	8,716.06
<b>2</b>	Other Income	9.96	16.12	108.84	82.15
<b>3</b>	<b>Total Income (1+2)</b>	<b>2135.66</b>	<b>4,110.99</b>	<b>2,494.97</b>	<b>8,798.22</b>
<b>4</b>	<b>Expenditure</b>				
(a)	Raw Material Consumption	749.89	1,093.31	508.96	5,424.50
(b)	Change in inventories of finished goods, work in progress and stock in trade	(8.21)	115.73	81.07	(115.00)
(c)	Employee Benefit Expenses	333.61	685.73	603.12	837.77
(d)	Finance Cost	24.21	73.21	106.32	236.71
(e)	Depreciation and Amortization Expenses	123.65	315.52	389.01	499.20
(f)	Other Expenses	738.06	1,557.41	1,032.58	1,669.98
(g)	Provision for Doubtful Debts	-	-	-	-
<b>5</b>	<b>Total Expenditure 4(a) to 4(g)</b>	<b>1961.20</b>	<b>3,840.91</b>	<b>2,721.06</b>	<b>8,553.06</b>
<b>6</b>	<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (3-5)</b>	<b>174.46</b>	<b>270.08</b>	<b>(226.09)</b>	<b>245.16</b>
<b>7</b>	<b>Exceptional and Extra-ordinary items</b>	-	-	-	-
	Less: Prior Period Items	-	-	-	-
<b>8</b>	<b>Profit/(Loss) Before Tax (6-7)</b>	<b>174.46</b>	<b>270.08</b>	<b>(226.09)</b>	<b>245.16</b>
<b>9</b>	<b>Tax Expense:</b>				
(a)	Tax Expense for Current Year	43.91	49.89	-	82.41
(b)	Short/(Excess) Provision of Earlier Year	0.02	-	-	-
(c)	Deferred Tax	(4.70)	(19.38)	6.84	(29.15)
	<b>Net Current Tax Expenses</b>	<b>39.32</b>	<b>30.51</b>	<b>6.84</b>	<b>53.27</b>
<b>10</b>	<b>Profit/(Loss) for the Year (8-9)</b>	<b>135.23</b>	<b>239.57</b>	<b>(232.93)</b>	<b>191.89</b>
<b>11</b>	<b>Earning Per Share (after bonus issue)</b>				
	- Basic	1.93	3.42	(3.33)	2.74
	- Diluted	1.93	3.42	(3.33)	2.74



**RESTATED CASH FLOW STATEMENT**
*(Rs in Lakhs)*

PARTICULARS	For the year ended on			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>A) Cash Flow from Operating Activities:</b>				
Net Profit before tax	174.46	270.08	(226.09)	245.16
<b>Adjustment for:</b>				
Depreciation and amortization	123.65	295.16	109.31	499.20
Provision for Gratuity	7.96	24.60	(12.50)	12.97
Other Adjustment	-	-	-	-
Interest & Other Financial Charges	24.21	73.21	106.32	236.71
<b>Operating profit before working capital changes</b>	<b>330.27</b>	<b>663.04</b>	<b>(22.96)</b>	<b>994.03</b>
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	195.32	(87.24)	656.05	236.71
(Increase)/Decrease in Inventory	21.22	111.20	102.21	69.13
(Increase)/Decrease in Short Term Loans & Advances		-	-	-
(Increase)/Decrease in Other Current Assets	(138.65)	(77.19)	129.96	(10.96)
(Increase)/Decrease in Other Non Current Assets	0.04	83.27	57.13	(58.35)
Increase/(Decrease) in Trade Payables	800.81	(7.00)	(124.13)	(196.63)
Increase/(Decrease) in Other Current Liabilities	289.55	(75.28)	(20.87)	41.88
Increase/(Decrease) in Short Term Provisions, etc	(5.75)	49.90	(82.41)	(137.99)
<b>Cash generated from operations</b>	<b>1492.80</b>	<b>660.71</b>	<b>695.00</b>	<b>937.82</b>
Taxes on Income	43.91	49.89	-	82.41
<b>Net cash flow from operating activities</b>	<b>1448.89</b>	<b>610.82</b>	<b>695.00</b>	<b>855.41</b>
<b>B) Cash Flow From Investing Activities:</b>				
Net Purchase of Fixed Assets including of CWIP	(831.16)	(58.45)	(24.29)	(675.05)
Increase/(Decrease) in Non Current Investments	-	-	-	-
Sale of Fixed Assets	-	114.05	602.37	9.35
<b>Net Cash Flow from Investing Activities</b>	<b>(831.16)</b>	<b>55.60</b>	<b>578.08</b>	<b>(665.70)</b>
<b>C) Cash Flow From Financing Activities:</b>				
Increase/(Decrease) in Working Capital from Bank	(88.76)	(127.66)	(530.90)	902.23
Increase/(Decrease) in Long Term Borrowings	(580.04)	(396.13)	(641.32)	(842.28)
Increase/(Decrease) in Other Long Term Liabilities	-	-	-	-
Increase/(Decrease) in Deferred Tax	-	-	-	-
Interest Paid	(24.21)	(73.21)	(106.32)	(236.71)
Share Money Pending Allotment	-	-	-	-
<b>Net cash flow from financing activities</b>	<b>(693.01)</b>	<b>(597.01)</b>	<b>(1278.54)</b>	<b>(176.75)</b>
Net Increase/(Decrease) In Cash & Cash Equivalents	(75.28)	69.40	(5.46)	12.96
Cash equivalents at the beginning of the year	86.28	16.88	22.34	9.38
<b>Cash equivalents at the end of the year</b>	<b>11.00</b>	<b>86.28</b>	<b>16.88</b>	<b>22.34</b>
Component of Cash and Cash equivalents				
Cash on hand	4.20	8.12	15.85	16.50
Balance With banks	6.79	78.16	1.02	5.84
<b>Total</b>	<b>11.00</b>	<b>86.28</b>	<b>16.88</b>	<b>22.34</b>

## SECTION V – GENERAL INFORMATION

Our Company was originally incorporated as “Scap Techno Fab Private Limited”, on September 24<sup>th</sup>, 2011 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Dadra and Nagar Havelli, Gujarat. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from “Scap Techno Fab Private Limited” to “Scap Techno Fab Limited” vide Special Resolution dated April 12<sup>th</sup>, 2023. The status of the Company was changed to public limited and the fresh certificate of incorporation consequent to conversion was issued on May 19<sup>th</sup>, 2023 by the Registrar of Companies, Ahmedabad, Gujarat. For details of Conversion of Company, please refer to section titled “History and Corporate Structure” beginning on page no. 128 of this Draft Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

Particulars	Details
Name of Issuer	Scap Techno Fab Limited.
Registered Office	Block No- 414, Plot No- 49 to 55, 58 to 64, B/h Sai Service Center, Vill Pipodara, Tal-Mangrol, Pipodara, Surat – 394110, Gujarat, India; <b>Telephone No.:</b> +91 79903 92530; <b>Web site:</b> <a href="http://www.scaptechnofab.com">www.scaptechnofab.com</a> ; <b>E-Mail:</b> <a href="mailto:info@scaptechnofab.com">info@scaptechnofab.com</a> ; <b>Contact Person:</b> Mr. Chetankumar Makanbhai Patel.
Date of Incorporation	September 24 <sup>th</sup> , 2011.
Company Identification Number	U17120GJ2011PLC067249.
Company Registration Number	067249.
Company Category	Company Limited by Shares.
Registrar of Company	ROC-Ahmedabad.
Address of the RoC	ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013; <b>Phone:</b> 079-27438531, <b>Fax:</b> 079- 27438371.
Company Secretary and Compliance Officer	Jayshree Jagdish Prasad Mundhra; C/o.: Scap Techno Fab Limited; <b>Address:</b> Block No- 414, Plot No- 49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Pipodara, Surat – 394110, Gujarat, India; <b>Telephone No.:</b> +91 97244 04093; <b>Web site:</b> <a href="http://www.scaptechnofab.com">www.scaptechnofab.com</a> ; <b>E-Mail:</b> <a href="mailto:compliance@scaptechnofab.com">compliance@scaptechnofab.com</a> .
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited; <b>Address:</b> Exchange Plaza, Plot no. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051.
Issue Programme	<b>Issue Opens On:</b> [●] <b>Issue Closes On:</b> [●]

**Note:**

Investors can contact the Company Secretary and Compliance Officer in case of any pre-issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

All grievances relating to the ASBA process and UPI Process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted or Sponsor Bank, as the case may be. The Applicant should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, UPI ID (in case of RII’s if applicable), date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Investors shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries/SCSB in addition to the information mentioned hereinabove.

### BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

S. No.	Name of Directors	Designation	Address	DIN
1.	Mr. Chetankumar Makanbhai Patel	Chairman and Managing Director	Varachha Road, A-5, Vishveshwar Society, Surat, Gujarat-395006	05105124
2.	Mr. Pravinchandra Shamjibhai Dhanani	Whole-Time Director	34, Shanti Palace Society, Behind Navyug College, Rander Road, Surat, Gujarat-395009	03595321
3.	Mr. Sureshkumar Babubhai Gajera	Whole -Time Director	18, Shantiniketan Society, Sumul Dairy Road, Katargam, Surat, Gujarat-395004	03627136
4.	Mrs. Hinaben Pravinchandra Dhanani	Non-Executive Director	34, Shanti Palace Society, Behind Navyug College, Rander Road, Surat Gujarat-395009	10253029
5.	Mr. Rajesh Kalubhai Mepani	Independent Director	13, Shyam Krushna Row House, Mahadev Chok, Mota Varachha, Surat, Gujarat-394101	07841263
6.	Mr. Nareshkumar Purshottambhai Lakhani	Independent Director	60, Chitrakut Society-1 Laxmikant Ashram road, Katgram, Surat, Gujarat-395004	09023300

For further details pertaining to the education qualification and experience of our directors, please refer the chapter titled “*Our Management*” beginning on page no. 132 of this Draft Prospectus.

#### **Chief Financial Officer:**

**Mr. Dhansukhbhai Nanjibhai Kakadiya;**

**Address:** B-303/304, Krishna Town Ship, Satelight Road, Mota Varachha, Surat, 394101, Gujarat, India;

**Telephone No.:** +91 9825133972;

**Email:** [Dhansukh@scapgroup.in](mailto:Dhansukh@scapgroup.in);

**Website:** [www.scaptechnofab.com](http://www.scaptechnofab.com);

#### **Company Secretary and Compliance Officer:**

**Ms. Jayshree Jagdish Prasad Mundhra;**

**C/o.:** Scap Techno Fab Limited;

**Address:** E-804, Rameshwaram Hills, D Mart, Nr. Althan Khadi BRTS, Surat, – 395017, Gujrat;

**Telephone No.:** +91 9724404093;

**Web site:** [www.scaptechnofab.com](http://www.scaptechnofab.com);

**E-Mail:** [compliance@scaptechnofab.com](mailto:compliance@scaptechnofab.com).

## **INVESTOR GRIEVANCES**

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

For all Issue-related queries and for redressal of complaints, investors may also write to the LM. All Issue-related grievances, other than that of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. The Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned above. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

#### DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<b>SWASTIKA INVESTMART LIMITED;</b> <b>SEBI Registration Number:</b> INM000012102; <b>Registered Office:</b> Flat No. 18, 2 <sup>nd</sup> Floor, North Wing, Madhaveshwar Co-op- Hsg Society Ltd, Madhav Nagar, 11/12, S. V. Road, Andheri W, Mumbai- 400058 (Maharashtra); <b>Merchant Banking Division:</b> 48, Jaora Compound, M.Y.H Road, Indore (MP) – 452001. <b>Telephone Number:</b> +91-22-26254568-69 / 0731-6644244; <b>Email Id:</b> merchantbanking@swastika.co.in; <b>Investor Grievance Id:</b> mb.investorgrievance@swastika.co.in; <b>Website:</b> www.swastika.co.in; <b>Contact Person:</b> Mr. Mohit R. Goyal; <b>CIN:</b> L65910MH1992PLC067052.	<b>BIGSHARE SERVICES PRIVATE LIMITED;</b> <b>SEBI Registration Number:</b> INR000001385; <b>Address:</b> Office No. S6 - 2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri – (East), Mumbai - 400093, Maharashtra, India; <b>Tel. Number:</b> +91 22 6263 8200; <b>Fax:</b> +91 22 6263 8299; <b>Email Id:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> ; <b>Investors Grievance Id:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> ; <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> ; <b>Contact Person:</b> Mr. Babu Rapheal C.
STATUTORY AUDITORS OF THE COMPANY	PEER REVIEW AUDITORS OF THE COMPANY*
<b>M/S KARMA &amp; CO LLP, CHARTERED ACCOUNTANTS</b> <b>Address:</b> “Karma House”, Plot No. 24, GFTH, BRTS Canal Road, B/h Param Hospital, Parvat Patiya, Surat - 395011 <b>Tel. Phone:</b> +91 – 9376788880; <b>Email:</b> <a href="mailto:surat.rk@karmallp.in">surat.rk@karmallp.in</a> ; <b>Contact Person:</b> CA Rakesh J. Kotadia; <b>Membership No:</b> 124134; <b>F.R.N.:</b> 127544W/W100376; <b>Peer Review No.:</b> 017384.	<b>M/S KPCM &amp; CO., CHARTERED ACCOUNTANTS;</b> <b>Address:</b> 1 <sup>st</sup> Floor, Guardian House, Suman Desai Wadi, Near Udhna Darwaja, Ring Road, Surat, Gujarat – 395002; <b>Tel. Phone:</b> 0261-4894506, 4891100; <b>Email:</b> <a href="mailto:admin@kpcm.in">admin@kpcm.in</a> ; <b>Contact Person:</b> CA Kanaiya Asawa; <b>Membership No:</b> 103498; <b>Peer Review No:</b> 015621; <b>F.R.N.:</b> 117390W.
BANKERS TO THE COMPANY	LEGAL ADVISOR TO THE COMPANY
<b>ICICI BANK LIMITED;</b> <b>Branch:</b> Shree Shyam Chambers, Ring Road, Surat; <b>Tel. Phone:</b> 0261-4001960; <b>Email Id:</b> <a href="mailto:manish.agrawal@icicibank.com">manish.agrawal@icicibank.com</a> ; <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> ; <b>Contact Person:</b> Mr. Manish Agrawal.	<b>LAW-CRAFT INDIA ADVISORS LLP;</b> <b>Address:</b> 722, Gala Empire, Drive In Road, Opp. TV Tower, Thaltej, Ahmedabad - 380054, Gujarat; <b>Tel No.:</b> +91 - 9033907734; <b>Email:</b> <a href="mailto:lawcraftindia@gmail.com">lawcraftindia@gmail.com</a> ; <b>Contact Person:</b> Himanshu Gupta.
BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK	
[●].	

\* M/s KPCM and Co., Chartered Accountant, hold a valid peer review certificate valid till 31<sup>st</sup> July 2026 issued by The Institute of Chartered Accountants of India.

#### DESIGNATED INTERMEDIARIES

##### Self-Certified Syndicate Banks

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

##### Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

## **BROKERS TO THE ISSUE**

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

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

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10> as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## **STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Swastika Investmart Limited is only Lead Manager to the issue, all the responsibility of the issue will be managed by them.

## **CREDIT RATING**

As this is an issue of Equity Shares, there is no credit rating for this Issue.

## **IPO GRADING**

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

## **FILING OF DRAFT PROSPECTUS/ PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

A soft copy of Prospectus is being filed with SEBI. However, SEBI does not issue any observation on the to offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 Phone: 079-27438531, Fax: 09-27438371.

## **CHANGES IN AUDITORS**

There has been change in the Auditors of our company during the last three years, except as specified below:

Name of Auditor	Appointment/Resignation	Date of Appointment / Resignation	Reason
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<b>M/S ASHWIN PAREKH &amp; CO., CHARTERED ACCOUNTANTS;</b> <b>Address:</b> 401-404, Rajhans Bonista, B/h Ram Chowk Temple, Nr. Police Chowki, Ghoddod Road, Surat, Gujarat – 395007 <b>Email Id:</b> akparekh_1989@yahoo.co.in, <b>Membership Number:</b> 042469; <b>Peer Review No.:</b> NA.	Appointment	30 <sup>th</sup> September, 2019	Appointed at the 08 <sup>th</sup> AGM for 5 consecutive years till conclusion of 13 <sup>th</sup> AGM to be held in 2024.
<b>M/S ASHWIN PAREKH &amp; CO., CHARTERED ACCOUNTANTS;</b> <b>Address:</b> 401-404, Rajhans Bonista, B/h Ram Chowk Temple, Nr. Police Chowki, Ghoddod Road, Surat, Gujarat – 395007 <b>Email Id:</b> akparekh_1989@yahoo.co.in, <b>Membership Number:</b> 042469; <b>Peer Review No.:</b> NA.	Resignation	30 <sup>th</sup> September, 2024	Expiry of Tenure.
<b>M/S KARMA &amp; CO LLP., CHARTERED ACCOUNTANTS</b> <b>Address:</b> “Karma House”, Plot No. 24, GFTH, BRTS Canal Road, BA1 Param Hospital, Paroat Patiya, Surat – 395011 <b>Telephone No.:</b> 9376788880 <b>Email Id:</b> <a href="mailto:surat.rk@karmallp.in">surat.rk@karmallp.in</a> . <b>Website:</b> <a href="https://www.karmallp.in">https://www.karmallp.in</a> <b>Membership Number/FRN:</b> 127544W <b>Peer Review No.:</b> 017384	Appointment	30 <sup>th</sup> September, 2024	Appointed at the 13 <sup>th</sup> AGM for 5 consecutive years till conclusion of 18 <sup>th</sup> AGM to be held in 2029.

## TRUSTEES

As this is an issue of Equity Shares, the appointment of Trustees is not required.

## APPRAISAL AND MONITORING AGENCY

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹10,000 Lakh. Hence, our Company is not required to appoint a monitoring agency in relation to the issue.

However, Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company’s balance sheet (s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (Rs. in Lakh)	% of the total Issue Size Underwritten
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[●]	[●]	[●]	[●]
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In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above-mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

#### DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THE ISSUE

Our Company and the Lead Manager have entered into an agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making:

[●];  
**Member Code:** [●];  
**SEBI Registration Number:** [●];  
**Registered Office:** [●];  
**Telephone Number:** [●];  
**Email Id:** [●];  
**Investors Grievance Id:** [●];  
**Website:** [●];  
**Contact Person:** [●];

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the NSE and SEBI in this regard from time to time.

#### Following is a summary of the key details pertaining to the proposed Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE (NSE EMERGE) and SEBI from time to time
3. 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(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the 1,32,000 Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 1,32,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
7. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
8. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on issue price.
9. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
10. 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.
11. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on

mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other MarketMakers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

12. **Risk containment measures and monitoring for Market Makers:** Emerge Platform of NSE will have all margins which are applicable on the 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.
13. **Punitive Action in case of default by Market Makers:** Emerge Platform of NSE 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.
14. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines /suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
15. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
16. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. 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.
17. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27<sup>th</sup>, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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)
Up to ₹ 20 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / NSE from time to time.

## SECTION VI – CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the issue and after giving effect to the issue, as on the date of filing of the Draft Prospectus, is set forth below:

*(Rs. in Lakh except per share amount)*

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate value at issue price
1.	<b>Authorized Share Capital</b> 1,20,00,000 Equity Shares of face value of ₹ 10/- each	1,200.00	-
2.	<b>Issued, Subscribed and Paid-Up Equity Share Capital before the Issue</b> 70,00,000 Equity Shares of face value of ₹10/- each	700.00	-
3.	<b>Present Issue in terms of the Draft Prospectus</b>		
	Issue of 25,40,000 Equity Shares of ₹10/- each at a price of ₹68/- per Equity Share.	254.00	1,727.20
	<b>Which comprises of</b>		
	<b>Reservation for Market Maker Portion</b> 1,32,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- per Equity Share reserved as Market Maker Portion.	13.20	89.76
	<b>Net Issue to Public</b> Net Issue to Public of 24,08,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- per Equity Share to the Public.	240.80	1637.44
	<b>Net Issue* to Public consists of</b>		
	12,04,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- per Equity Share will be available for allocation for Investors investing amount up to ₹2.00 Lakh	120.40	818.72
	12,04,000 Equity Shares of ₹10/- each at an Issue Price of ₹68/- per Equity Share will be available for allocation for Investors investing amount above ₹2.00 Lakh (Non-Retail Portion)	120.40	818.72
4.	<b>Paid Up Equity Capital after the Issue</b> 95,40,000 Equity Shares of ₹10/- each	954.00	-
5.	<b>SECURITIES PREMIUM ACCOUNT</b>	Before the Issue	13.62
		After the Issue	1,486.82

*\*For detailed information on the Net Issue and its allocation various categories, please refer chapter titled "The Issue" on page no. 37 of this Draft Prospectus.*

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 24<sup>th</sup>, 2023 and by the shareholders of our Company vide a special resolution passed at the Extra Ordinary General Meeting held on August 01<sup>st</sup>, 2023.

### CLASS OF SHARES

The company has only one class of shares i.e. Equity shares of ₹10/- each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of the Draft Prospectus.

Our Company does not have any partly paid-up equity shares as on the date of this Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Changes in the Authorized Share Capital of our Company:

Since Incorporation of our Company, the authorized share capital of our Company has been changed in the manner set forth below:

S. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakh)	Date of Meeting	Whether AGM/EGM
1.	On incorporation	10,000	1.00	N.A.	N.A.
2.	Increased in authorized capital from ₹1.00 Lakh to ₹80.00 Lakh.	8,00,000	80.00	November 28, 2011	EGM
3.	Increased in authorized capital from ₹80.00 Lakh to ₹125.00 Lakh.	12,50,000	125.00	January 28, 2016	EGM
4.	Increased in authorized capital from ₹125.00 Lakh to ₹1,200.00 Lakh.	1,20,00,000	1,200.00	January 23, 2023	EGM

## 2. History of Paid-up Share Capital:

Our existing Paid-up Equity Share Capital has been subscribed and allotted in the manner set forth below:

Date of allotment	Nature of allotment	Number of equity shares Allotted	Face value (In ₹)	Issue price (In ₹)	Nature of consideration (Cash, other than Cash, Bonus)	Cumulative Number of Equity Shares	Cumulative Paid up share Capital (₹ in lakhs)	Cumulative Share Premium (₹ in lakhs)
September 24 <sup>th</sup> , 2011 (On Incorporation)	Subscription to Memorandum of Association <sup>(1)</sup>	10,000	10.00	10.00	Cash	10,000	1.00	-
March 30 <sup>th</sup> , 2012	Preferential Issue <sup>(2)</sup>	7,80,500	10.00	10.00	Cash	7,90,500	79.05	-
February 20 <sup>th</sup> , 2016	Preferential Issue <sup>(3)</sup>	2,09,500	10.00	16.50	Cash	10,00,000	100.00	13.62
February 20 <sup>th</sup> , 2023	Bonus Issue <sup>(4)</sup>	60,00,000	10.00	Nil	Other than Cash	70,00,000	700.00	13.62

<sup>(1)</sup> The details of allotment of 10,000 Fully Paid-up Equity Shares made to the subscribers to the Memorandum of Associations, are as follows:

S. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value Per Share (In ₹)	Issue Price Per Share (In ₹)
1.	Rajesh Babubhai Gajera	5,000	10.00	10.00
2.	Pravinchandra Shamjibhai Dhanani	5,000	10.00	10.00
<b>Total</b>		<b>10,000</b>	<b>-</b>	<b>-</b>

<sup>(2)</sup> The details of allotment of 7,80,500 Equity Shares made on March 30<sup>th</sup>, 2012 under Preferential Issue at an issue price of ₹10/- per share are as follows:

S. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value Per Share (In ₹)	Issue Price Per Share (In ₹)
1.	Rajesh Babubhai Gajera	2,85,000	10.00	10.00
2.	Pravinchandra Shamjibhai Dhanani	1,65,000	10.00	10.00
3.	Chetankumar Makanbhai Patel	1,75,500	10.00	10.00
4.	Ashwinbhai Damjibhai Boda	1,55,000	10.00	10.00
<b>Total</b>		<b>7,80,500</b>	<b>-</b>	<b>-</b>

<sup>(3)</sup> The details of allotment of 2,09,500 Equity Shares made on February 20<sup>th</sup>, 2016 under Preferential Issue at an issue price of ₹16.50/- (including premium of ₹6.50) per share are as follows:

S. No.	Name of Allotte	No. of Equity Shares Allotted	Face Value Per Share (In ₹)	Issue Price Per Share (In ₹)
1.	Pravinchandra Shamjibhai Dhanani	50,000	10.00	16.50
2.	Chetankumar Makanbhai Patel	44,500	10.00	16.50
3.	Ashwinbhai Damjibhai Boda	65,000	10.00	16.50
4.	Dhansukhbhai Nanjibhai Kakadiya	50,000	10.00	16.50
<b>Total</b>		<b>2,09,500</b>	-	-

(4) The details of allotment of 60,00,000 Equity Shares made on February 20<sup>th</sup>, 2023 in the ratio of 6:1 i.e. 6 (Six) new Equity Shares for every 1 (one) equity share held are as follows:

S. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value Per Share (In ₹)	Issue Price Per Share (In ₹)
1.	Pravinchandra Shamjibhai Dhanani	13,20,000	10.00	Nil
2.	Chetankumar Makanbhai Patel	13,20,000	10.00	Nil
3.	Ashwinbhai Damjibhai Boda	13,14,000	10.00	Nil
4.	Dhansukhbhai Nanjibhai Kakadiya	7,14,000	10.00	Nil
5.	Sureshkumar Babubhai Gajera	13,14,000	10.00	Nil
6.	Princekumar Ashwinbhai Boda	6,000	10.00	Nil
7.	Rajesh Dhansukhbhai Kakadiya	6,000	10.00	Nil
8.	Himanshu Sureshbhai Gajera	6,000	10.00	Nil
<b>Total</b>		<b>60,00,000</b>	-	-

Note: \*The aforementioned Bonus allotment has been made by capitalizing free reserve account of the Company.

**3. Except as disclosed below, we have not issued any Equity Shares for consideration other than Cash.**

The details of allotment of 60,00,000 Equity Shares made on February 20<sup>th</sup>, 2023, under Bonus Issue are as follows:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits accrued to Company	Name of Allottees	No. of Shares Allotted
February 20 <sup>th</sup> , 2023	60,00,000	10	-	Other than Cash- Bonus Issue	Capitalization of Reserves	Pravinchandra Shamjibhai Dhanani	13,20,000
						Chetankumar Makanbhai Patel	13,20,000
						Ashwinbhai Damjibhai Boda	13,14,000
						Dhansukhbhai Nanjibhai Kakadiya	7,14,000
						Sureshkumar Babubhai Gajera	13,14,000
						Princekumar Ashwinbhai Boda	6,000
						Rajesh Dhansukhbhai Kakadiya	6,000
						Himanshu Sureshbhai Gajera	6,000
<b>Total</b>							<b>60,00,000</b>

4. Our Company has not allotted any Equity Shares pursuant to any scheme approved Sections 230 to 234 of the Companies Act, 2013.
5. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Our Company has not made allotment at price lower than the Issue Price during past one year from the date of the Draft Prospectus except mentioned below:
7. Except as disclosed below our company has not issued any equity shares lower than the Issue Price during the preceding 2 (Two) year except as stated below:
  - i. The details of allotment of 60,00,000 Equity Shares made on February 20<sup>th</sup>, 2023 in the ratio of 6:1 under Bonus Issue are as follows:

S. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value Per Share (In ₹)	Issue Price Per Share (In ₹)	Reason of Allotment	Benefits accrued to Company
1.	Pravinchandra Shamjibhai Dhanani	13,20,000	10.00	Nil	Other than Cash – Bonus Issue	Capitalization of Reserves
2.	Chetankumar Makanbhai Patel	13,20,000	10.00	Nil		
3.	Ashwinbhai Damjibhai Boda	13,14,000	10.00	Nil		
4.	Dhansukhbhai Nanjibhai Kakadiya	7,14,000	10.00	Nil		
5.	Sureshkumar Babubhai Gajera	13,14,000	10.00	Nil		
6.	Princekumar Ashwinbhai Boda	6,000	10.00	Nil		
7.	Rajesh Dhansukhbhai Kakadiya	6,000	10.00	Nil		
8.	Himanshu Sureshbhai Gajera	6,000	10.00	Nil		
<b>Total</b>		<b>60,00,000</b>	-	-	-	-

8. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

#### 9. Our Shareholding Pattern:

The Shareholding Pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

#### Declaration

S. No.	Particular	Yes/No	Promoter and Promoter Group	Public shareholder	Non-Promoter-Non-Public
1.	Whether the Company has issued any partly paid up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in locked-in?*	No	No	No	No
6.	Whether any shares held by promoters are	No	No	No	No

S. No.	Particular	Yes/No	Promoter and Promoter Group	Public shareholder	Non-Promoter-Non-Public
	pledge or otherwise encumbered?				
7.	Whether company has equity shares with differential voting rights?	No	No	No	No
8.	Whether the listed entity has any significant beneficial owner?	No	No	No	No

*\*All Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on Emerge Platform of NSE.*



(A). Table I - Summary Statement holding of Equity Shares

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	No of Voting (XIV) Rights			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XD)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class (eg: X)	Class (eg: Y)	Total				Number of Voting Rights held in each class of securities (IX)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
(A)	Promoter & Promoter Group	8	7000000	0	0	7000000	100.00	7000000	0	7000000	100.00	0	100.00	0	0	0	0	7000000	
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(C)	Non-Promoter-Non-Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

	<b>Total</b>	<b>8</b>	<b>7000000</b>	<b>0</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>7000000</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>700000</b>
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**Note:**  
*\*As on the date of filling of Draft Red Herring Prospectus no Pre-IPO Shares are Locked-in, we hereby confirm that the all Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on the Emerge Platform of NSE.*

(B). Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	No of Voting (XIV) Rights			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities(as a percentage of dilutedshare capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class (eg: X)	Class (eg: Y)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
(1)	<b>Indian</b>																		
(a)	<b>Individuals/Hindu undivided Family</b>	<b>8</b>	<b>7000000</b>	<b>0</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>7000000</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>7000000</b>	
1	Pravinchandra Shamjibhai Dhanani (P)	-	1540000	0	0	1540000	22.00	1540000	0	1540000	22.00	0	22.00	0	0.00	0	0.00	1540000	
2	Chetankumar Makanbhai Patel (P)	-	1540000	0	0	1540000	22.00	1540000	0	1540000	22.00	0	22.00	0	0.00	0	0.00	1540000	
3	Ashwinbhai Damjibhai Boda (P)	-	1533000	0	0	1533000	21.90	1533000	0	1533000	21.90	0	21.90	0	0.00	0	0.00	1533000	

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								Class (eg: X)	Class (eg: Y)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
4	Dhansukhbhai Nanjibhai Kakadiya (P)	-	833000	0	0	833000	11.90	833000	0	833000	11.90	0	11.90	0	0.00	0	0.00	833000
5	Sureshkumar Babubhai Gajera (P)	-	1533000	0	0	1533000	21.90	1533000	0	1533000	21.90	0	21.90	0	0.00	0	0.00	1533000
6	Princekumar Ashwinbhai Boda (PG)	-	7000	0	0	7000	0.10	7000	0	7000	0.10	0	0.10	0	0.00	0	0.00	7000
7	Rajesh Dhansukhbhai Kakadiya (PG)	-	7000	0	0	7000	0.10	7000	0	7000	0.10	0	0.10	0	0.00	0	0.00	7000
8	Himanshu Sureshbhai Gajera (PG)	-	7000	0	0	7000	0.10	7000	0	7000	0.10	0	0.10	0	0.00	0	0.00	7000

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	No of Voting (XIV) Rights			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								Class (eg: X)	Class (eg: Y)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(b)	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Sub-Total (A)(1)</b>	<b>8</b>	<b>7000000</b>	<b>0</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>7000000</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>7000000</b>

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	No of Voting (XIV) Rights			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								Class (eg: X)	Class (eg: Y)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(2)	<b>Foreign</b>																	
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Sub-Total (A)(2)</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	No of Voting (XIV) Rights			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								Class (eg: X)	Class (eg: Y)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
	<b>Total Shareholding of Promoters and Promoters' Group (A)=(A)(1)+(A)(2)</b>	<b>8</b>	<b>7000000</b>	<b>0</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>7000000</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7000000</b>
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.																		
<b>Note:</b>																		
1.	PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s).																	
2.	The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																	
3.	All Pre-IPO Equity Shares of our Company will be locked-in as mentioned above prior to listing of shares on Emerge Platform of NSE.																	
4.	P= Promoter PG= Promoter Group																	

\* Rounded Off



(C). Table III - Statement showing shareholding pattern of the public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in securities (IX)			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a %	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								Class (eg: X)	Class (eg: Y)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
<b>B1</b>	<b>Institutions</b>																	
	Foreign Portfolio Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	<b>Sub Total B1</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
<b>B2</b>	<b>Central Government/ State Government(s)/ President of India</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
<b>B3</b>	<b>Non-Institutions</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	Individual share capital upto Rs. 2 Lacs	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a %	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								Class (eg: X)	Class (eg: Y)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
	Individual share capital in excess of Rs. 2 Lacs	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	HUF	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	Non-Resident Indian (NRI)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	LLP	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	Bodies Corporate	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	Clearing Members	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	<b>Sub Total B3</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
	<b>B=B1+B2+B3</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.: **Nil**

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Class (eg: X)	No of Voting (XIV) Rights	Number of Voting Rights held in each class of securities (IX)	No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C)	No. (a)	Number of Locked in shares (XII)	No. (a)	Number of shares pledged or otherwise encumbered (XIII)	No. (b)	Number of equity shares held in dematerialized form
<b>Note:</b>																		
1.	PAN would not be displayed on website of Stock Exchange(s).																	
2.	The above format needs to disclose name of all holders holding more than 1% of total number of shares																	
3.	W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available																	

(D). Table IV - Statement showing shareholding pattern of the Non-Promoter- Non-Public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. 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 nos. Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	No of Voting Rights (XIV)			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								Class (eg: X)	Class (eg: Y)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Custodian/DR Holder - Name of DR Holders (If Available)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
(B)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0

<b>Total Non-Promoter-Non-Public Shareholding (C)= (C) (1) + (C) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Note:</b>																		
1.	PAN would not be displayed on website of Stock Exchange(s).																	
2.	The above format needs to disclose name of all holders holding more than 1% of total number of shares.																	
3.	W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.																	

(E). **Table V - Statement showing details of significant beneficial owners**

Sr. No.	Details of the significant beneficial owner (I)		Details of the registered owner (II)		Particulars of the shares in which significant beneficial interest is held by the beneficial owner (III)				Date of creation/acquisition of significant beneficial interest (IV)
	Name	Nationality	Name	Nationality	Shares (%)	Voting Rights (%)	Rights on Distributable (%)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	
-	-	-	-	-	-	-	-	-	-

**10. The shareholding pattern of our Promoters and Promoters' Group and public before and after the Issue:**

Sr. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital *	No. of equity shares	As a % of Issued Capital*
<b>Promoters</b>					
1.	Mr. Pravinchandra Shamjibhai Dhanani	15,40,000	22.00	15,40,000	16.13
2.	Mr. Chetankumar Makanbhai Patel	15,40,000	22.00	15,40,000	16.13
3.	Mr. Ashwinbhai Damjibhai Boda	15,33,000	21.90	15,33,000	16.05
4.	Mr. Dhansukhbhai Nanjibhai Kakadiya	8,33,000	11.90	8,33,000	8.72
5.	Mr. Sureshkumar Babubhai Gajera	15,33,000	21.90	15,33,000	16.05
<b>Total - A</b>		<b>69,79,000</b>	<b>99.70</b>	<b>69,79,000</b>	<b>73.08</b>
<b>Promoters' Group</b>					
1.	Mr. Princekumar Ashwinbhai Boda	7,000	0.10	7,000	0.07
2.	Mr. Rajesh Dhansukhbhai Kakadiya	7,000	0.10	7,000	0.07
3.	Mr. Himanshu Sureshbhai Gajera	7,000	0.10	7,000	0.07
<b>Total-B</b>		<b>21,000</b>	<b>0.30</b>	<b>21,000</b>	<b>0.22</b>
<b>Public</b>					
1.	Initial Public Issue – Public	-	-	25,40,000	26.70
<b>Total-C</b>		-	-	<b>25,40,000</b>	<b>26.70</b>
<b>Total Promoters and Promoters' Group and Public (A+B+C)</b>		<b>70,00,000</b>	<b>100.00</b>	<b>95,40,000</b>	<b>100.00</b>

\*Rounded off.

**11. Details of Major Shareholders:**

(A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Prospectus:

S. No.	Name of shareholders	No. of Equity Shares held	% of Pre-issue paid up Capital*
1.	Mr. Pravinchandra Shamjibhai Dhanani	15,40,000	22.00
2.	Mr. Chetankumar Makanbhai Patel	15,40,000	22.00
3.	Mr. Ashwinbhai Damjibhai Boda	15,33,000	21.90
4.	Mr. Dhansukhbhai Nanjibhai Kakadiya	8,33,000	11.90
5.	Mr. Sureshkumar Babubhai Gajera	15,33,000	21.90
<b>Total</b>		<b>69,79,000</b>	<b>99.70</b>

\*Rounded off.

(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Prospectus:

S. No.	Name of shareholders	No. of Equity Shares held	% of then existing paid up Capital*
1.	Mr. Pravinchandra Shamjibhai Dhanani	15,40,000	22.00
2.	Mr. Chetankumar Makanbhai Patel	15,40,000	22.00
3.	Mr. Ashwinbhai Damjibhai Boda	15,33,000	21.90
4.	Mr. Dhansukhbhai Nanjibhai Kakadiya	8,33,000	11.90
5.	Mr. Sureshkumar Babubhai Gajera	15,33,000	21.90
<b>Total</b>		<b>69,79,000</b>	<b>99.70</b>

\*Rounded off.

(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date One year prior to the date of the Draft Prospectus:

S. No.	Name of shareholders	No. of Equity Shares held	% of then existing paid up Capital*
1.	Mr. Pravinchandra Shamjibhai Dhanani	15,40,000	22.00
2.	Mr. Chetankumar Makanbhai Patel	15,40,000	22.00
3.	Mr. Ashwinbhai Damjibhai Boda	15,33,000	21.90
4.	Mr. Dhansukhbhai Nanjibhai Kakadiya	8,33,000	11.90
5.	Mr. Sureshkumar Babubhai Gajera	15,33,000	21.90
<b>Total</b>		<b>69,79,000</b>	<b>99.70</b>

\*Rounded off.

- (D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on Two years prior to the date of the Draft Prospectus:

S. No.	Name of Shareholders	No. of Equity Shares held <sup>(1)</sup>	% of then existing paid up Capital <sup>(2)&amp;(3)</sup>
1.	Mr. Pravinchandra Shamjibhai Dhanani	2,20,000	22.00
2.	Mr. Chetankumar Makanbhai Patel	2,20,000	22.00
3.	Mr. Ashwinbhai Damjibhai Boda	2,20,000	22.00
4.	Mr. Dhansukhbhai Nanjibhai Kakadiya	1,20,000	12.00
5.	Mr. Sureshkumar Babubhai Gajera	2,20,000	22.00
<b>Total</b>		<b>10,00,000</b>	<b>100.00</b>

<sup>(1)</sup>The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Prospectus.

<sup>(2)</sup>Rounded off.

<sup>(3)</sup>the % has been calculated based on then existing paid up Capital of the Company.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares of our Company have been listed or refund of application monies in pursuance of the Draft Prospectus.

As on the date of filing the Draft Prospectus, our Company does not have any such plan for altering the capital structure by way of split or consolidation of the denomination of the shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or for any other purpose, as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

### 13. Shareholding of the Promoters of our Company:

As on the date of the Draft Prospectus, our Promoters i.e Mr. Pravinchandra Shamjibhai Dhanani, Mr. Sureshkumar Babubhai Gajera, Mr. Ashvinkumar Damjibhai Boda, Mr. Chetankumar Makanbhai Patel and Mr. Dhansukhbhai Nanjibhai Kakadiya hold total 69,79,000 Equity Shares representing 99.70% of the pre-issue paid up equity share capital of our Company. The build-up of equity shareholding of Promoters of our Company are as follows:

PRAVINCHANDRA SHAMJIBHAI DHANANI								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
September 24 <sup>th</sup> , 2011	Subscription to Memorandum of Association	5,000	5,000	10.00	10.00	50,000	0.07	0.05



PRAVINCHANDRA SHAMJIBHAI DHANANI								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
March 30 <sup>th</sup> , 2012	Preferential Allotment	1,65,000	1,70,000	10.00	10.00	16,50,000	2.36	1.73
February 20 <sup>th</sup> , 2016	Preferential Allotment	50,000	2,20,000	10.00	16.50	8,25,000	0.71	0.52
February 20 <sup>th</sup> , 2023	Bonus Allotment	13,20,000	15,40,000	10.00	Nil	NA	18.86	13.82
<b>Total</b>		<b>15,40,000</b>				<b>25,25,000</b>	<b>22.00</b>	<b>16.14</b>

CHETANKUMAR MAKANBHAI PATEL								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
March 30 <sup>th</sup> , 2012	Preferential Allotment	175500	1,75,500	10.00	10.00	17,55,000	2.51	1.84
February 20 <sup>th</sup> , 2016	Preferential Allotment	44,500	2,20,000	10.00	16.50	7,34,250	0.64	0.47
February 20 <sup>th</sup> , 2023	Bonus Allotment	13,20,000	15,40,000	10.00	Nil	NA	18.86	13.82
<b>Total</b>		<b>15,40,000</b>				<b>24,89,250</b>	<b>22.00</b>	<b>16.14</b>

ASHWINBHAI DAMJIBHAI BODA								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
March 30 <sup>th</sup> , 2012	Preferential Allotment	1,55,000	1,55,000	10.00	10.00	15,50,000	2.21	1.62
February 20 <sup>th</sup> , 2016	Preferential Allotment	65,000	2,20,000	10.00	16.50	10,72,500	0.93	0.68
February 01 <sup>st</sup> , 2023	Transfer*	(1,000)	2,19,000	10.00	Nil	Nil	(0.01)	(0.01)
February 20, 2023	Bonus Allotment	13,14,000	15,34,000	10.00	Nil	NA	18.77	13.76
<b>Total</b>		<b>15,33,000</b>				<b>26,22,500</b>	<b>21.90</b>	<b>16.07</b>

\*No Consideration was received as the shares were transferred via Gift Deed.

DHANSUKHBHAI NANJIBHAI KAKADIYA								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital

February 20 <sup>th</sup> , 2016	Preferential Allotment	50,000	50,000	10.00	16.50	8,25,000.00	0.71	0.52
March 05 <sup>th</sup> , 2016	Acquisition	70,000	1,20,000	10.00	16.50	11,55,000	1.00	0.73
February 01 <sup>st</sup> , 2023	Transfer*	(1,000)	1,19,000	10.00	Nil	-	(0.01)	(0.01)
February 20 <sup>th</sup> , 2023	Bonus Allotment	7,14,000	8,33,000	10.00	Nil	NA	10.20	7.48
<b>Total</b>		<b>8,33,000</b>				<b>19,80,000</b>	<b>11.90</b>	<b>8.73</b>

\*No Consideration was received as the shares were transferred via Gift Deed.

SURESHKUMAR BABUBHAI GAJERA								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
April 10 <sup>th</sup> , 2016	Acquisition	2,20,000	2,20,000	10.00	16.50	36,30,000	3.14	2.30
February 01 <sup>st</sup> , 2023	Transfer*	(1,000)	2,19,000	10.00	Nil	-	(0.01)	(0.01)
February 20 <sup>th</sup> , 2023	Bonus Allotment	13,14,000	15,33,000	10.00	Nil	NA	18.77	13.76
<b>Total</b>		<b>15,33,000</b>				<b>36,30,000</b>	<b>21.90</b>	<b>16.07</b>

\*No Consideration was received as the shares were transferred via Gift Deed.

**14. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below**

S. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) <sup>(1), (2), (3)</sup>
1.	Mr. Pravinchandra Shamjibhai Dhanani	15,40,000	1.64
2.	Mr. Chetankumar Makanbhai Patel	15,40,000	1.62
3.	Mr. Ashwinbhai Damjibhai Boda	15,33,000	1.71
4.	Mr. Dhansukhbhai Nanjibhai Kakadiya	8,33,000	2.38
5.	Mr. Sureshkumar Babubhai Gajera	15,33,000	2.37

<sup>(1)</sup>The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

<sup>(2)</sup>Rounded Off.

<sup>(3)</sup>As per the CA Certificate by M/S KPCM and Company, Chartered Accountants dated July 09<sup>th</sup>, 2024.

15. We have 8 (Eight) shareholders as on the date of filing of the Draft Prospectus.
16. As on the date of the Draft Prospectus, our Promoters and Promoters' Group hold total 70,00,000 Equity Shares representing 100.00% of the pre-issue paid up share capital of our Company.
17. There were no shares purchased/sold by the Promoter(s) and Promoter Group, directors of our Company and their relatives during last six months from the date of filing of this Draft Prospectus.
18. The members of the Promoters' Group, our directors and the relatives of our directors have not 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 six months immediately preceding the date of filing the Draft Prospectus.
19. Details of Promoter's Contribution locked in for three years:

Our Promoters has given written consent to include 19,20,000 Equity Shares subscribed and held by them as a part of Minimum Promoters' Contribution constituting 20.13% of the post issue Paid-up Equity Shares Capital of our Company ("Minimum Promoters' contribution") in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution, and to be marked Minimum Promoters' Contribution as locked-in. In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Issue, whichever is later.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Issue, whichever is later.

**Explanation:** The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilized as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters' Contribution of 20.13% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the 20.13% of the Post Issue Capital and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of Minimum Promoters' Contribution are as follows:

PRAVINCHANDRA SHAMJIBHAI DHANANI									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Source of Contribution	% of Pre Issue Capital	% of post issue Capital	Date up to which Equity Shares are subject to Lock-in
February 20 <sup>th</sup> , 2023	February 20 <sup>th</sup> , 2023	Bonus Allotment	4,22,400	10.00	Nil	Capitalization of Reserves (Bonus Shares)	6.03	4.43	3 Years
<b>Total</b>			<b>4,22,400</b>				<b>6.03</b>	<b>4.43</b>	

\*On February 20<sup>th</sup>, 2023 total of 13,20,000 Bonus Equity Shares were allotted to Mr. Pravinchandra Shamjibhai Dhanani. However, for the purpose of minimum promoter contribution 4,22,400 Equity Shares are offered which will be locked in for a period of three years.

CHETANKUMAR MAKANBHAI PATEL									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital	Date up to which Equity Shares are subject to Lock-in
February 20 <sup>th</sup> , 2023	February 20 <sup>th</sup> , 2023	Bonus Allotment	4,22,400	10.00	Nil	Capitalization of Reserves	6.03	4.42	3 Years

						(Bonus Shares)			
<b>Total</b>			<b>4,22,400</b>				<b>6.03</b>	<b>4.43</b>	

\*On February 20<sup>th</sup>, 2023 total of 13,20,000 Bonus Equity Shares were allotted to Mr. Chetankumar Makanbhai Patel. However, for the purpose of minimum promoter contribution 4,22,400 Equity Shares are offered which will be locked in for a period of three years.

<b>ASHWINBHAI DAMJIBHAI BODA</b>									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital	Date up to which Equity Shares are subject to Lock-in
February 20 <sup>th</sup> , 2023	February 20 <sup>th</sup> , 2023	Bonus Allotment	4,22,400	10.00	Nil	Capitalization of Reserves (Bonus Shares)	6.03	4.43	3 Years
<b>Total</b>			<b>4,22,400</b>				<b>6.03</b>	<b>4.43</b>	

\*On February 20<sup>th</sup>, 2023 total of 13,14,000 Bonus Equity Shares were allotted to Mr. Ashwinbhai Damjibhai Boda. However, for the purpose of minimum promoter contribution 4,22,400 Equity Shares are offered which will be locked in for a period of three years.

<b>DHANSUKHBHAI NANJIBHAI KAKADIYA</b>									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital	Date up to which Equity Shares are subject to Lock-in
February 20 <sup>th</sup> , 2023	February 20 <sup>th</sup> , 2023	Bonus Allotment	2,30,400	10.00	Nil	Capitalization of Reserves (Bonus Shares)	3.29	2.42	3 Years
<b>Total</b>			<b>2,30,400</b>				<b>3.29</b>	<b>2.42</b>	

\*On February 20<sup>th</sup>, 2023 total of 7,14,000 Bonus Equity Shares were allotted to Mr. Dhansukhbhai Nanjibhai Kakadiya. However, for the purpose of minimum promoter contribution 2,30,400 Equity Shares are offered which will be locked in for a period of three years.

<b>SURESHKUMAR BABUBHAI GAJERA</b>									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital	Date up to which Equity Shares are subject to Lock-in
February 20 <sup>th</sup> , 2023	February 20, 2023	Bonus Allotment	4,22,400	10.00	Nil	Capitalization of Reserves (Bonus Shares)	6.03	4.43	3 Years
<b>Total</b>			<b>4,22,400</b>				<b>6.03</b>	<b>4.43</b>	

\*On February 20<sup>th</sup>, 2023 total of 13,14,000 Bonus Equity Shares were allotted to Mr. Sureshkumar Babubhai Gajera. However, for the purpose of minimum promoter contribution 4,22,400 Equity Shares are offered which will be locked in for a period of three years.

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

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

**Eligibility of Share for "Minimum Promoters Contribution" in terms of clauses of Regulation 237 of SEBI (ICDR) Regulations, 2018**

Reg. No.	Promoters' Minimum Contribution Condition	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction.	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets: <b>Hence Eligible.</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution.	The minimum Promoter's contribution does not consist of such Equity Shares: <b>Hence Eligible.</b>
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer. Provided that nothing contained in this clause shall apply: (i) if the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, as applicable, pay to the issuer the difference between the price at which the specified securities are offered in the initial public offer and the price at which the specified securities had been acquired; (ii) if such specified securities are acquired in terms of the scheme under sections 230 to 234 of the Companies Act, 2013, as approved by a High Court or a tribunal, as applicable, by the promoters in lieu of business and invested capital that had been in existence for a period of more than one year prior to such approval; (iii) to an initial public offer by a government company, statutory authority or corporation or any special purpose vehicle set up by any of them, which is engaged in the infrastructure sector.	The minimum Promoter's contribution does not consist of such Equity Shares: <b>Hence Eligible.</b>
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during	The minimum Promoter's contribution does not consist of such Equity Shares: <b>Hence Eligible.</b>

Reg. No.	Promoters' Minimum Contribution Condition	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management. Provided that specified securities, allotted to the promoters against the capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.	
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares: <b>Hence Eligible.</b>

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself.

Our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoters' Group are in already dematerialized.

## 20. Lock in of Equity Shares held by Promoters in excess of Minimum Promoters' contribution

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance 50,59,000 Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

## 21. Lock in of Equity Shares held by Persons other than the Promoters:

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters, if any, shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 21,000 Equity shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

## 22. Inscription or Recording of non-transferability:

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository. – **Not Applicable as all existing Equity Shares are held in dematerialized form.**

## 23. Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following:

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary(ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

## 24. Transferability of Locked in Equity Shares:



In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
  - The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
25. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
  26. As on date of the Draft Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
  27. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
  28. Prior to this Initial Public Issue, our Company has not made any public issue or right issue to public at large.
  29. There are no safety net arrangements for this public issue.
  30. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
  31. As on the date of the Draft Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
  32. As per RBI regulations, OCBs are not allowed to participate in this Issue.
  33. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.
  34. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
  35. There are no Equity Shares against which depository receipts have been issued.
  36. As on the date of the Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
  37. The Lead Manager i.e. Swastika Investmart Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Prospectus.
  38. We hereby confirm that there will be no further issue of capital 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 the Draft Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
  39. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.



40. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
41. An over-subscription to the extent of 2% of the Net 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 2% of the Net Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
42. 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 i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
43. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
44. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time
45. As on the date of the Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
46. As on date of the Draft Prospectus, other than the Equity Shares, there is no other class of securities issued by our Company.
47. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Prospectus.
48. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
49. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
50. 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.
51. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the issue to any person for making an application in the Initial Public Issue, except for fees or commission for services rendered in relation to the issue.
52. Except as disclosed in the Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Prospectus.
53. Our Promoters and the members of our Promoters' Group will not participate in this Issue.
54. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoters' Group between the date of filing the Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-

four hours of such transaction.

55. Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.

S. No.	Name	Designation	No. of Equity Shares held	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Chetankumar Makanbhai Patel	Chairman and Managing Director	15,40,000	22.00	16.13
2.	Pravinchandra Shamjibhai Dhanani	Whole-Time Director	15,40,000	22.00	16.13
3.	Sureshkumar Babubhai Gajera	Whole-Time Director	15,33,000	21.90	16.05
4.	Ashvinkumar Damjibhai Boda	Chief Executive Officer	15,33,000	21.90	16.05
5.	Dhansukhbhai Nanjibhai Kakadiya	Chief Financial Officer	8,33,000	11.90	8.72

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue constitutes a public Issue 25,40,000 Equity Shares of our Company at an Issue Price of ₹ 68 /- per Equity Share.

#### FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. Repayment of Loan;
2. To Meet Incremental Working Capital Requirements;
3. To Purchase Plant and Machinery;
4. General Corporate Purpose;  
(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Emerge Platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company. Our Company is engaged into the business manufacturing of Polypropylene (PP) Non-Woven Fabric.

The objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

#### REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹1,577.20 Lakhs (the “Net Issue Proceeds”). The following table summarizes the requirement of funds:

(₹ in Lakhs)

Particulars	Amount
Gross Issue Proceeds	1,727.20
Less: Public Issue Expenses	150.00
<b>Net Issue Proceeds</b>	<b>1,577.20</b>

#### UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

S. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds	% of Net Issue Proceeds
1.	Repayment of Loan	679.80	39.36	43.10
2.	To Meet Incremental Working Capital Requirements	597.20	34.58	37.86
3.	To Purchase Plant and Machinery	168.00	9.73	10.65
4.	General Corporate Purpose	132.20	7.65	8.38
<b>Net Issue Proceeds/ Gross Issue Proceeds</b>		<b>1,577.20</b>	<b>91.32</b>	<b>100</b>

#### MEANS OF FINANCE

We intend to finance our Objects of the Issue through Issue Proceeds which are as follows:

S. No.	Particulars	Amount Required (₹ in Lakhs)	From IPO Proceeds	Internal Accruals / Equity / Reserves / Borrowings
1.	Repayment of Loan	679.80	679.80	-
2.	To Meet Incremental Working Capital Requirements	2,805.79	597.20	2,208.59
3.	To Purchase Plant and Machinery	168.00	168.00	-

S. No.	Particulars	Amount Required (₹ in Lakhs)	From IPO Proceeds	Internal Accruals / Equity / Reserves / Borrowings
4.	General Corporate Purpose	132.20	132.20	-
5.	Public Issue Expenses	150.00	150.00	-
	<b>Total</b>	<b>3,935.79</b>	<b>1,727.20</b>	<b>2,208.59</b>

*Since, the entire fund requirement are to be funded from the proceeds of the Issue and existing identifiable internal accruals, there is no requirement to make the firm arrangement of finance under Regulation 230(I) (e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).*

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

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the Section titled "Risk Factors" beginning on 20 20 of this Draft Prospectus.

## DETAILS OF USE OF ISSUE PROCEEDS

### 1. REPAYMENT OF LOAN

Our business is capital intensive and we avail majority of our fund based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. For further details of the loans availed by our Company, refer to section titled "Restated Financial Statement" beginning on page no. 155 of this Draft Prospectus.

As of September 30<sup>th</sup>, 2024, our Company had a total outstanding indebtedness from banks and other sources amounting to ₹ 575.74 Lakhs. We propose to utilize ₹ 679.80 Lakhs from the Net Proceeds towards the repayment/prepayment of certain Secured term loans of ICICI Bank Limited availed by our Company. Further the company has taken loan amounting to 679.80 lakhs for purchasing the second-hand plant and machinery on 06<sup>th</sup> December 2024. The company has utilized the loan for the intended purpose for which it was obtained duly certified by KPCM & Co., Chartered Accountant as per the certificate dated 18<sup>th</sup> January 2025. We believe that such repayment/ pre-payment will help to reduce our outstanding indebtedness and improve our debt-equity ratio.

We believe that reducing our indebtedness will result in an enhanced equity base, assist us in maintaining a favorable debt-equity ratio in the near future and enable utilization of our accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve significantly to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain loans availed by our Company, which we may repay/ pre-pay, from the Net Proceeds, without any obligation to any particular bank. The company proposes to repay the Secured Loans of the

company.

### Secured Loan:

#### Note: 1a

Particulars	Loan 1
Name of the Lender	ICICI Bank Limited
Nature of Facility	Rupee Term Loan 2
Security, if any	Note 1a
Initial date of sanction/ date of amount received	December 06 <sup>th</sup> , 2024
Sanctioned amount (₹ In Lakhs)	679.80
Rate of Interest (%)	9.50% (Floating)
Tenure (in Month)	60 months
Purpose of raising the loan	Acquisition
Prepayment Clause (if any) (%)	Note 2a

### ICICI Bank Limited

Security Details	Nature of Charge
<b>Security - Primary</b>	Movable fixed assets, Current assets and Fixed deposit.
<b>Security - Collateral</b>	Personal Guarantee of all property Owners and Promoters, Book Debts, LC issued by other banks. 1. Commercial Plot Block No. 414, 58 to 64, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, Surat, Gujarat, india, 394110; 2. Commercial Plot Block No 358, Old Block No 195, Nandlav Village Road NH road no 48, Nandlav, Mangrol, Surat, Gujarat, India, 395006; 3. Commercial Plot Block No. 414 , Plot No.49 to 55, Opp Bhagyoday Hotel Behind Sai Service Center, Pipodara, Kim, Mangrol, Surat, Gujarat, India, 394110.
<b>Guarantors</b>	Mr. Dhansukhbhai N Kakadiya, Mr. Rajesh D Kakadiya, Mr. Mankanbhai G Patel, Mrs. Manishaben D Kakadia, Mr. Suresh gajera, Mr. Chetan patel, Mr. Pravin kumar Dhanani, Mr. Ashvinkumar D Boda.

#### Note: 2a

### ICICI Bank Limited – Prepayment Charges

The Borrower shall give the Bank a minimum of 15 days' prior notice of its intention to prepay or foreclose whole or part the Facility.

## 2. TO PURCHASE PLANT AND MACHINERY

Our Company intends to make capital expenditure towards installation of additional Machinery and Equipment at our factory situated at Block no. 358, plot no. 1, 2, 3, Village - Nandav, Tal - Mangrol, Dist- Surat, 39412. Our Company proposes to use part of net proceeds to the extent to ₹ 168.00 Lakhs to meet capital expenditure in relation to installation of MTR Calendar roll (3.2 MTR S Line, 4.0 MTR S Line, 3.2 MTR SS Line) and MTR Air Shaft (3.2 MTR S Line, 4.0 MTR S Line, 3.2 MTR SS Line). The new machinery can significantly enhance product quality and production efficiency. Modern calendar rolls provide better heat distribution, helping to speed up the bonding process. This reduces cycle times and enables a more efficient production process. Wear-resistant coating and improved hardness reduce downtime caused by maintenance or replacement, extended lifespan even under continues high-speed production.

A detailed breakup of estimated cost which are proposed to be funded from the net issue proceeds is set forth below:

### MTR Calendar Roll and MTR Air Shaft

Equipment details	Quantity	Unit Price (Amount in \$)	Amount in \$
3.2 MTR Calendar Roll (S Line)	1 Pcs.	45,000.00	45,000.00

Equipment details	Quantity	Unit Price (Amount in \$)	Amount in \$
4.0 MTR Calendar Roll (S Line)	1 Pcs.	65,000.00	65,000.00
3,2 MTR Calendar Roll (SS Line)	1 Pcs.	65,000.00	65,000.00
3.2 MTR Air Shaft (S Line)	3 Pcs.	2,200.00	6,600.00
4 MTR Air Shaft (S Line)	3 Pcs.	2,500.00	7,500.00
3.2 MTR Air Shaft (SS Line)	4 Pcs.	2,200.00	8,800.00
<b>Total</b>	-	-	<b>1,97,900<sup>1</sup></b>
<b>Total Amount (₹ in Lakhs)</b>	-	-	<b>168.06</b>

**Notes:**

- The amount is exclusive of Taxes, Duties and Installation Cost etc. and the same will be paid by the company from internal accruals;
- Company has received the quotation from Dongyang Maywell Trade Co., Ltd., China dated 03<sup>th</sup> December, 2024; further Company has made advance payment of \$ 19790 against proforma invoice dated Decemer 17<sup>th</sup> 2024.
- The Quotation was received in USD. Conversion rate: 1 USD = ₹84.92 as on December 17<sup>th</sup>, 2024. Reference: <https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx>;
- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost;
- Quotation received from the vendor mentioned above is valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the machineries/equipment or at the same costs;
- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue;
- The said Vendor is not related to Company, Promoters, Promoter Group and Directors.

**3. TO MEET INCREMENTAL WORKING CAPITAL REQUIREMENTS:**

Our Company is engaged into the business of manufacturing of Polypropylene (PP) Non-Woven Fabric. The Net Working Capital requirement of our Company on restated basis as on period ended 30<sup>th</sup> September, 2024, and financial year ended March 2024, 2023 and 2022 was, (₹ 162.04) Lakhs, ₹ 1,099.32 Lakhs, ₹ 922.06 Lakhs and ₹ 1,588.21 Lakhs respectively. The Net Working capital requirements for the financial year 2024-25 and 2025-26 is estimated to be ₹ 1,455.45 Lakhs and ₹ 2,805.79 Lakhs respectively. The Company will meet the requirement to the extent of ₹ 597.20 Lakhs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

Particulars	(₹ in Lakhs)					
	As per Audited Restated financial statement for March 31 <sup>st</sup>			30 <sup>th</sup> September	Projected	
	2022	2023	2024	2024	2025	2026
Inventories	611.30	509.08	397.89	376.67	795.00	2,073.25
Trade Receivables	1,137.50	481.44	568.68	373.36	569.86	740.82
Cash and Cash equivalents	22.34	16.88	86.28	11.00	274.61	241.33
Other Current Assets	209.46	79.50	156.69	295.09	201.40	209.93
<b>Current Assets (A)</b>	<b>1,980.60</b>	<b>1,086.90</b>	<b>1,209.54</b>	<b>1,056.12</b>	<b>1,840.87</b>	<b>3,265.33</b>
Trade Payables	151.50	27.37	20.37	821.18	159.67	192.60
Other Current Liabilities	157.62	136.75	61.47	351.02	94.56	122.93
Short-Term Provisions	83.27	0.72	51.71	45.96	131.19	144.01
<b>Current Liabilities (B)</b>	<b>392.39</b>	<b>164.85</b>	<b>133.55</b>	<b>1,218.16</b>	<b>385.42</b>	<b>459.54</b>
<b>Total Working Capital Gap</b>	<b>1,588.21</b>	<b>922.06</b>	<b>1075.99</b>	<b>(162.04)</b>	<b>1,455.45</b>	<b>2,805.79</b>

Particulars	As per Audited Restated financial statement for March 31 <sup>st</sup>			30 <sup>th</sup> September 2024	Projected	
	2022	2023	2024		2025	2026
(A-B)						
<b>Sources of Funds</b>						
Borrowing	902.23	371.33	243.67	154.90	590.04	1,280.21
Internal Accruals	685.98	550.73	855.65	(316.94)	865.41	928.38
Proceeds from IPO	-	-	-	-	-	597.20
<b>Total</b>	<b>1,588.21</b>	<b>922.06</b>	<b>1,099.32</b>	<b>(162.04)</b>	<b>1,455.45</b>	<b>2,805.79</b>

**Assumptions for working capital requirements:**

Particulars	No. of outstanding or holding level for the (in Days)					Justification for Holding
	2021-22 (Restated)	2022-23 (Restated)	2023-24 (Restated)	2024-25 (Projected)	2025-26 (Projected)	
Trade Receivables	48	74	51	40	40	In Fiscal 2022, 2023 and 2024 our average Trade Receivables holding period was 48 days, 74 days, and 51 days respectively. We are estimating to maintain the Trade Receivables holding period at levels of 40 days and 40 days for Fiscal 2025 and Fiscal 2026 as per our projected financials and market condition.
Trade Payables	10	17	6	29	26	In Fiscal 2022, 2023, and 2024 our average Trade payables cycle period was 10 days, 17 days and 6 days respectively. We are expected Creditor Cycle period of 29 days and 26 days for Fiscal 2025 and Fiscal 2026.
Inventory	41	365	103	135	267	In Fiscal 2022, 2023, and 2024 our average Inventory day was 41 days, 365 days and 103 days respectively. We are expecting our average inventory days of 135 days and 267 days for Fiscal 2025 and Fiscal 2026.

Apart from above there are other working capital requirements such as Cash and Cash Equivalents, Other Current assets, Short Term Provisions and Other Current Liabilities. Details of which are given below:

Particulars	Details
Cash and Cash Equivalents	Cash and cash equivalents include balances in current accounts and cash in hand. Cash and Cash Equivalent balance is estimated based on previous year's outstanding amount and for expected Business requirement of company.
Other Current Assets	Other Current Assets mainly include FDs, with Banks, Loan to Staff/Employees, Duties & Taxes Prepaid Expenses, Interest receivable. Other Current Assets is estimated based on previous year's outstanding amount and for expected Business requirement of company.
Other Current Liabilities	Other Liabilities mainly includes Power and Fuels payable, Rent and TDS Payable. Other liabilities is estimated based on previous year's outstanding amount and for expected Business requirement of company.
Short-Term Provisions	Short-term provisions mainly include Provision for income tax and Gratuity. Short Term provisions is estimated based on previous years outstanding amount and for expected Business requirement of company.



#### 4. GENERAL CORPORATE PURPOSE:

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy ₹132.20 Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

1. Funding growth opportunities;
2. Brand building and strengthening of marketing activities and Products of the Company in domestic market;
3. Meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies;
4. 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 “General Corporate Purposes” 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 in any permissible manner. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose.

Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

#### 5. ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹150.00 Lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (₹ in Lakh)	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor and Legal Advisor	[●]	[●]	[●]
Fees Payable to Market Maker (for Three Year)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses)	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	<b>100.00</b>	[●]

#### Notes:

1. Up to December 05<sup>th</sup>, 2024, Our Company has deployed / incurred expense of ₹ 22.40 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals duly certified by Peer Review Auditor M/s. KPCM & Co., Chartered Accountants vide its certificate dated December 05<sup>th</sup>, 2024, bearing UDIN: 25103498BMIDJD9524;
2. SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them;
3. Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount;
4. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them;
5. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02nd, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16th, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20th, 2022;



6. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

S. No.	Particulars	Total estimated cost	Amount to be funded from net issue proceeds	Amount already deployed	Estimated utilization of Net Proceeds (₹ in Lakhs) Upto F.Y (2025-26)*	Estimated Utilisation of Net Proceeds (₹ in Lakhs) Upto F.Y (2026-27)*
1.	Repayment of Debt	679.80	679.80	-	679.80	-
2.	To Purchase Plant and Machinery	168.00	168.00	-	168.00	-
3.	To Meet Incremental Working Capital Requirements	2,805.79	597.20	-	597.20	-
4.	General Corporate Purpose	132.20	132.20	-	132.20	-
5.	Public Issue Expenses	150.00	150.00	22.40	127.60	-
	<b>Total</b>	<b>3,935.79</b>	<b>17,27.20</b>	<b>22.40</b>	<b>1,704.80</b>	-

*\*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Issue Proceeds in the subsequent Financial years i.e. FY 2026-27 towards the Object of the issue.*

### APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilized have been financially appraised by any financial institutions/ banks.

### BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

### INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

### MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Draft 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.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, 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 through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's Restated Financial Statements. Investors should also refer to the sections/chapters titled "Risk Factors" and "Restated Financial Statements" on page nos. 20 and 155 respectively of this Draft Prospectus to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

- Experienced Promoters and Management team;
- Prime Location of our Manufacturing facility and installed capacity;
- Infrastructure and Integrated capabilities to deliver quality products;
- Wide application of Product.

For details of qualitative factors, please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. 104 of this Draft Prospectus.

### QUANTITATIVE FACTORS

#### 1. Basic & Diluted Earnings Per Share (EPS):

Financials Year/Period	Basic and Diluted EPS (in ₹)**	Weighted Average
Financial Year ended March 31, 2022	2.74	1
Financial Year ended March 31, 2023	(3.33)	2
Financial Year ended March 31, 2024	3.42	3
<b>Weighted Average</b>	<b>1.06</b>	<b>6</b>
<b>Six months ended 30<sup>th</sup> September, 2024</b>	<b>1.93*</b>	

\*Not Annualized

\*\*Basic and diluted EPS is calculated after taking the effect of bonus issue in the ratio of 6:1 allotted on 20<sup>th</sup> February 2023.

#### Note:

1. The figures disclosed above are based on the restated financial statements of the Company.
2. Face Value of Equity Share is ₹ 10/-
3. Earnings per Share has been calculated in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.
4. Basic Earnings per Equity Share (₹) & Diluted Earnings per Equity Share (₹) = Restated Consolidated profit for the period/year divided by Weighted average number of equity shares outstanding during the period/year (Post split and Bonus).
5. Weighted Average = Aggregate of year wise weighted EPS divided by the aggregate of weights i.e. (EPS x weight) for each year / Total weights

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 68/-:

Particulars	EPS (in ₹)	P/E
Based on the Basic & Diluted EPS, as restated for FY 2023-24	3.42	19.88
Based on the Weighted Average EPS	1.06	64.15

#### 3. Return on Net Worth (RoNW) Standalone:

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2022	14.44	1
Financial Year ended March 31, 2023	(18.04)	2
Financial Year ended March 31, 2024	18.50	3
Six months ended 30 <sup>th</sup> September, 2024	9.12*	
<b>Weighted Average</b>	<b>5.64</b>	

Financial Year/Period	Return on Net Worth (%)	Weights
-----------------------	-------------------------	---------

**\*Not Annualized**

1. *Weighted Average = Aggregate of year wise weighted RONW divided by the aggregate of weights i.e. (RONW x weight) for each year / Total weights*
2. *The RoNW has been computed by dividing restated net profit after tax with restated Average Net worth as at the end of the year/period*
3. *Average Network= (Opening Net worth+ Closing Net worth)/2*
4. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*

**4. Net Asset Value per Equity Share:**

Particulars	Amount (in ₹)
Financial Year ended March 31, 2022	20.11
Financial Year ended March 31, 2023	16.78
Financial Year ended March 31, 2024	20.21
Six months ended September 30,2024	22.14
NAV per Equity Share after the Issue	32.93
Issue Price per Equity Shares	68

*\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective Year/period (Post Bonus).*

*\*\*Weighted number of shares have been calculated after giving the effect of Bonus issue in the ratio of 6:1 on 20<sup>th</sup> February 2023.*

Notes: -

1. *NAV per share =Restated Net worth at the end of the year/weighted average number of equity shares outstanding at the end of the year/ period.*
2. *Net worth 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.*

**5. Comparison of Accounting Ratios with Peer Group Companies:**

Name of the Company	Result Type	Face Value (₹)	Current Market Price <sup>2</sup>	EPS (₹) Basic <sup>3</sup>	P/E Ratio <sup>4&amp;5</sup>	RoNW (%)	NAV per Equity Share (₹)	Total Income (₹ in Lakhs)
Scap Techno Fab Ltd.	Standalone	10	68	2.96	22.97	14.99	19.74	4110.99
<b>Peer Group<sup>1</sup></b>								
Shubham Polyspin Limited	Standalone	10	23.24	0.71	32.73	5.64	12.65	5,076.56
Shri Techtex Limited	Standalone	10	63.45	5.48	11.58	14.64	33.62	7,805.00

Notes -

<sup>1</sup> Source: Annual Report of Peer Group Companies available on Stock Exchange.

<sup>2</sup> Current Market Price (CMP) is taken as the closing price Peer companies as on 05<sup>th</sup> December 2024 on BSE and NSE and at the issue price for Scap Techno Fab Limited.

<sup>3</sup> Basic & diluted Earnings per share (EPS) is calculated on weighted average number of shares as on 31<sup>st</sup> March 2024.

<sup>4</sup> Price Earning (P/E) Ratio in relation to offer Price of ₹ 68/- per shares.

<sup>5</sup> Price Earning (P/E) Ratio of peer companies are based on closing Price of equity shares on NSE and BSE on 05<sup>th</sup> December,2024 divided by the Basic EPS as on March 31st, 2024.

6. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is 6.8 times the face value of equity share.

7. The Issue Price has been determined by our Company in consultation with LMs and justified by our Company in consultation with the LMs on the basis of 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 Auditors' Report in the Issue Document to have more informed view about the investment.

### KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

In evaluating our business, we consider and use certain KPIs as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with AS.

Investors are encouraged to review the AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 05<sup>th</sup>, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of our Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years prior to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by M/S KPCM and Company, Chartered Accountant by their certificate dated December 05<sup>th</sup>, 2024.

The KPIs of our Company have been disclosed in the sections “Business Overview” and “Management's Discussion and analysis of financial position and results of operations” starting on page nos. 104 nos. 158 respectively. We have described and defined the KPIs, as applicable, in the section “Definitions and Abbreviations” on page no. 2.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the section “Objects of the Issue” on page no. 76, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

Set forth below are the KPIs pertaining to the Company that have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our listed peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for the Issue Price:

#### Key Performance Indicators of our Company:

(Rs. In Lakhs)

Particulars	As on 30 <sup>th</sup> September, 2024	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
Revenue from Operations <sup>1</sup>	2125.71	4,094.87	2,386.13	8,716.06
Growth in Revenue from Operations (%) <sup>2</sup>	-	71.61	(72.62)	1.07
EBITDA <sup>3</sup>	312.35	642.69	160.41	898.91
EBITDA Margin (%) <sup>4</sup>	14.69	15.70	6.72	10.31
PAT <sup>5</sup>	135.23	239.57	(232.93)	191.89
PAT Margin (%) <sup>6</sup>	6.36	5.85	(9.76)	2.20
Net Debt <sup>7</sup>	564.74	1158.26	1751.46	2918.22
Total Equity <sup>8</sup>	1549.75	1414.52	1174.95	1407.88
Average Equity <sup>9</sup>	1482.14	1294.74	1291.41	1328.69
Capital Employed	2078.52	2616.79	2929.39	4318.70

Particulars	As on 30 <sup>th</sup> September, 2024	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
ROE (%) <sup>10</sup>	9.12	18.50	(18.04)	14.44
ROCE (%) <sup>11</sup>	9.56	13.12	(4.10)	11.16
EPS (Basic & Diluted) <sup>11</sup>	1.93	3.42	(3.33)	2.74

**Note:**

- (1) Revenue from operation means revenue from sales;
  - (2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;
  - (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs – Other Income;
  - (4) EBITDA Margin' is calculated as EBITDA divided by Revenue from operation;
  - (5) PAT is calculated as Profit before tax – Taxes;
  - (6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
  - (7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance, and Investments.
  - (8) Total Equity = Equity share capital + Other equity.
  - (9) Average Equity = (Opening equity + Closing equity)/2
  - (10) ROE = Net profit after tax / Average equity.
  - (11) ROCE = Profit before tax and finance cost / Capital employed\*
- \*Capital employed = Total Equity + Non-current borrowing + Current Borrowing - Deferred Tax Assets
- (12) EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding at the end of the year after taking effect of bonus shares.

**EXPLANATION FOR KPI METRICS**

KPI	Explanation
Revenue from Operations (₹in Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective period.
EBITDA (₹ in Lakhs)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ in Lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from average shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the average capital employed in the business.

**COMPARISON OF FINANCIAL KPIs OF OUR COMPANY AND OUR LISTED PEERS:**

1. Set forth below are the details of comparison of key performance of indicators with our Listed Industry Peers:

(Rs. In Lakhs)

Key Financial Performance	Shubham Polyspin Limited			Shri Techtex Limited		
	FY 2024	FY 2023	FY 2022	FY 2024	FY 2023	FY 2022
Revenue from operation	4915.43	4460.92	5291.25	7638.00	5692.00	5117.63
Other Income	161.13	231.79	213.42	167.00	115.00	64.51
Total Revenue	5076.56	4692.71	5504.67	7805.00	5807.00	5182.14
Growth in Total Revenue	8.18%	-14.75%	-	34.41%	12.06%	-
EBITDA	158.34	128.31	114.53	1949.00	1251.00	1226.21
EBITDA Margin	3.22%	2.88%	2.16%	25.52%	21.98%	23.96%



PAT	86.42	83.39	67.54	1228.00	911.00	826.56
PAT Margin	1.70%	1.78%	1.23%	15.73%	15.69%	15.95%
Net Worth	1533.19	1446.74	1363.35	8389.00	3012.00	2100.99
Return on Net Worth (%)	5.64%	5.76%	4.95%	14.64%	30.25%	39.34%
Net Debt	693.30	1038.24	1269.07	879.00	3094.00	2411.45
Capital Employed	2562.83	2595.10	2743.89	9658.00	6239.00	4573.84
Total Equity	1533.19	1446.74	1363.35	8389.00	3012.00	2210.99
Average Equity	1489.97	1405.05	1329.58	5700.50	2611.50	2144.86
ROE (%)	5.80%	5.94%	5.08%	21.54%	34.88%	38.54%
ROCE (%)	1.86%	-0.06%	0.01	22.18%	18.06%	24.39%
EPS (Basic)	0.71	0.69	0.61	5.48	5.19	4.71
EPS (Diluted)	0.71	0.69	0.61	5.48	5.19	36.74

**Note:**

(1) Source: All the financial information for listed industry peers mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective years to compute the corresponding financial ratios.

(2) EBITDA = Profit before tax + depreciation & amortization expense + finance cost – Other Income.

(3) EBITDA Margin = EBITDA/ Revenue from Operations.

(4) PAT = Profit after Tax as per Restated Financial Statements

(5) PAT Margin = Profit after tax /Revenue from operations

(6) Net Worth = Equity share capital + Reserves and surplus as per Restated Financial Statements.

(7) Return on Net Worth = Profit after Tax / Net worth.

(8) Net debt = Non-current borrowing + current borrowing - Cash and Cash Equivalent.

(9) Total Equity = Equity share capital + Other equity.

(10) Average Equity = (Opening equity + Closing equity)/2

(11)ROE = Net profit after tax /Total equity.

(12)ROCE = EBIT / Capital employed

\*Capital employed = Total Equity + Non-current borrowing + current Borrowing + Deferred Tax Liabilities – Intangible Assets

(13)EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding during the financial year/ period.

## WEIGHTED AVERAGE COST OF ACQUISITION:

### 1. Weighted average cost of acquisition:

#### a. The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).

There has been no issuance of Equity Shares during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

#### b. The price per share of our Company based on the secondary sale / acquisition of shares (equity shares).

There has been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

#### c. Since there were no such other primary issuances / secondary transactions except as provided in 2(a) and (b) to be informed under this section based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to irrespective of the size of transactions.



Date of Transfer	Name of transferor	Name of transferee	No. of Equity shares	Price Per Equity Share	Nature of transaction	Total Consideration (₹ in lakhs)
February 1, 2023	Mr. Princekumar Ashwinbhai Boda	Mr. Ashwinbhai Damjibhai Boda	1000	Nil*	Transfer of shares	Nil
February 1, 2023	Mr. Rajesh Dhansukhbhai Kakadiya	Mr. Dhansukhbhai Nanjibhai Kakadiya	1000	Nil*	Transfer of shares	Nil
February 1, 2023	Mr. Himanshu Sureshbhai Gajera	Mr. Sureshkumar Babubhai Gajera	1000	Nil*	Transfer of shares	Nil
<b>Total</b>						<b>Nil</b>

\*No Consideration was paid as the shares were transferred via Gift Deed.

**d. Weighted average cost of acquisition, issue price:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	Nil
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity /convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA*
Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoter /promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Prospectus irrespective of the size of the transaction.	Nil

**Note:** \*There has been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

The Issue Price is 6.80 times of the face value of the Equity Shares. The Issue Price of ₹ 68.00/- has been determined

*by our Company, in consultation with the Lead Manager, on the basis of market demand from investors for Equity Shares through the Fixed price method and is justified in view of the above qualitative and quantitative parameters. Applicants should read the above mentioned information along with “Risk Factors”, “Business Overview”, “Restated Financial Statements” and “Management’s Discussion and analysis of financial position and results of Operations” on page nos. 20, 104, 155 and 158, respectively, to have a more informed view.*

*The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page no. 20 and you may lose all or part of your investment.*

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
Scap Techno Fab Limited,  
Block No. 414, Plt No. 58 to 64,  
Bhagyoday Hotel, Pipodra, Kim, Surat

Dear Sir,

**Sub: Statement of possible Special tax benefit (“the Statement”) available to Scap Techno Fab Limited (Formerly known as Scap Techno Fab Private Limited) and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the ‘Regulations’).**

We, M/S KARMA & Co LLP, Chartered Accountants, the Statutory Auditors of the Company, hereby confirm that the enclosed annexures, prepared by Scap Techno Fab Limited (“the Company”) states the possible special tax benefits available to the Company and the shareholders of the Company under direct and indirect taxes as applicable in India (together “the Tax Laws”), as amended time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexures cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

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

The contents of the annexures are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct. The enclosed Annexures is intended solely for your information and for inclusion in the Draft Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent. Signed in terms of our separate report of even date.

**For M/S KARMA and Co. LLP  
Chartered Accountants**

Sd/-

CA Rajesh J Kotadia - Partner

M. No.: 124134

FRN: 127544W/W100376

UDIN: 25124134BMLHRZ1782

Date: 09/01/2025



## **Annexure I to the Statement of Possible Tax Benefits**

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

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

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 the Finance Act, 2023 applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25.

Lower corporate tax rate under section 115BAA

Section 115BAA has been inserted in the Act w.e.f. FY 2019-20. It gives an option to domestic company to be governed by this section from a particular assessment year. If a company opts for section 115BAA of the Act, the company can pay corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn.

Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their ‘book profits’ under section 115JB of the Act. However, such a company will no longer be eligible to avail any specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available.

Further, it shall not be allowed to claim set-off of any brought forward losses arising to it on account of additional depreciation and other specified incentives.

The Company has already evaluated and opted for the lower corporate tax rate of 26.00% (prescribed under section 115BA of the Act) with effect from AY 2022-23.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
4. For direct tax benefits, this Annexure sets out only the special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.
5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Offer.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## **Annexure II to the Statement of Possible Tax Benefits**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Indirect Tax laws presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

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

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

The Company is not entitled to any special tax benefits under the Indirect Tax Laws in India.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

#### **Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## SECTION VIII - 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 OUTLOOK

After growing 3.1 percent last year, the global economy is set to slow substantially in 2023, to 2.1 percent, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4 percent. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger-than-expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored. Global growth could be weaker than anticipated in the event of more widespread banking sector stress or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Weak growth prospects and heightened risks in the near term compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of global financial conditions. This difficult context highlights a multitude of policy challenges. Recent bank failures call for a renewed focus on global financial regulatory reform. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. The resilience that global economic activity exhibited earlier this year is expected to fade. Growth in several major economies was stronger than envisaged at the beginning of the year, with faster-than-expected economic reopening in China and resilient consumption in the United States. Nonetheless, for 2023 as a whole, global activity is projected to slow, with a pronounced deceleration in advanced economies and a sizable pickup in China (figure 1.1.A). Inflation pressures persist, and the drag on growth from the ongoing monetary tightening to restore price stability is expected to peak in 2023 in many major economies. Recent banking sector stress will further tighten credit conditions. This will result in a substantial growth deceleration in the second half of this year. This slowdown will compound a period of already-subdued growth—over the first half of the 2020s (2020-2024), growth in EMDEs is expected to average just 3.4 percent, one of the weakest half-decades of the past 30 years (figure 1.1.B). This slowdown reflects both cyclical dynamics and the current trend of declining global potential output growth (figure 1.1.C). Global financial conditions have tightened as a result of policy rate hikes and, to a lesser extent, recent bouts of financial instability. Many banks experienced substantial unrealized losses due to the sharp rise in policy interest rates. Concerns about the viability of balance sheets of some banks led to depositor flight and market volatility in the United States and Europe earlier in the year, which were stemmed by a swift and extensive policy response. Financial markets remain highly sensitive to evolving expectations about the future path of interest rates of major central banks. Spillovers from banking turmoil in advanced economies to EMDEs have so far been limited. However, countries with more pronounced macroeconomic policy vulnerabilities, as reflected by lower credit ratings, have experienced slower growth and greater financial stress, including large currency depreciations and a sharp widening of sovereign spreads. Projections for 2023 growth in these economies have fallen by more than half over the past year (figure 1.1.D). Inflation pressures persist. Although global headline inflation has been decelerating as a result of base effects, abating supply chain pressures.

[Source: <https://thedocs.worldbank.org/en/doc/5443e6bba11cd7fa7c0c678a20edd4dd-0350012023/related/GEP-June-2023-Chapter-1-Highlights.pdf>].

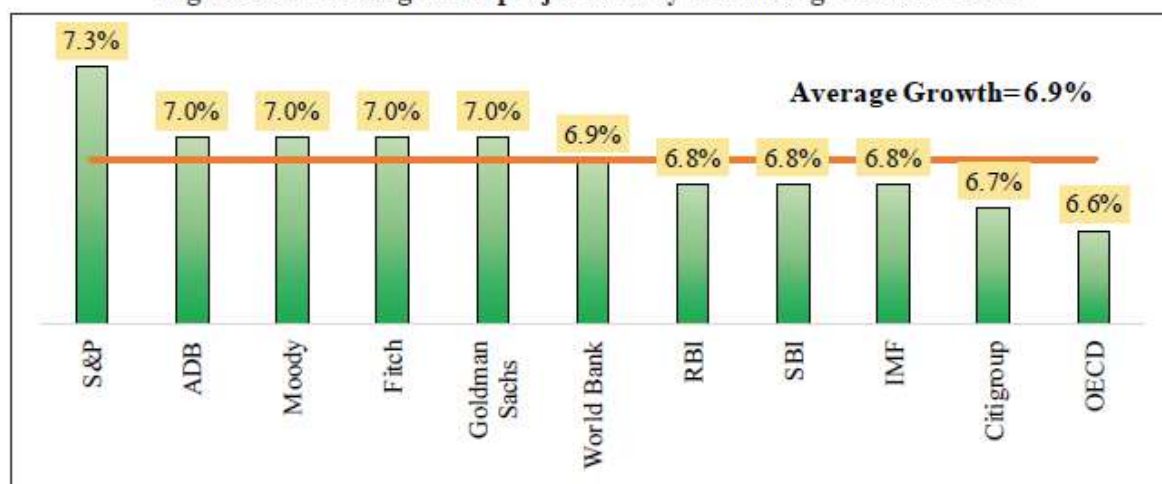
### INDIAN ECONOMY

#### India's Economic Resilience and Growth Drivers



Monetary tightening by the RBI, the widening of the CAD, and the plateauing growth of exports have essentially been the outcome of geopolitical strife in Europe. As these developments posed downside risks to the growth of the Indian economy in FY23, many agencies worldwide have been revising their growth forecast of the Indian economy downwards. These forecasts, including the advance estimates released by the NSO, now broadly lie in the range of 6.5-7.0 per cent. Despite the downward revision, the growth estimate for FY23 is higher than for almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic. IMF estimates India to be one of the top two fast-growing significant economies in 2022. Despite strong global headwinds and tighter domestic monetary policy, if India is still expected to grow between 6.5 and 7.0 per cent, and that too without the advantage of a base effect, it is a reflection of India’s underlying economic resilience; of its ability to recoup, renew and re-energise the growth drivers of the economy.

**Figure I.17: India growth projections by various agencies for FY23**



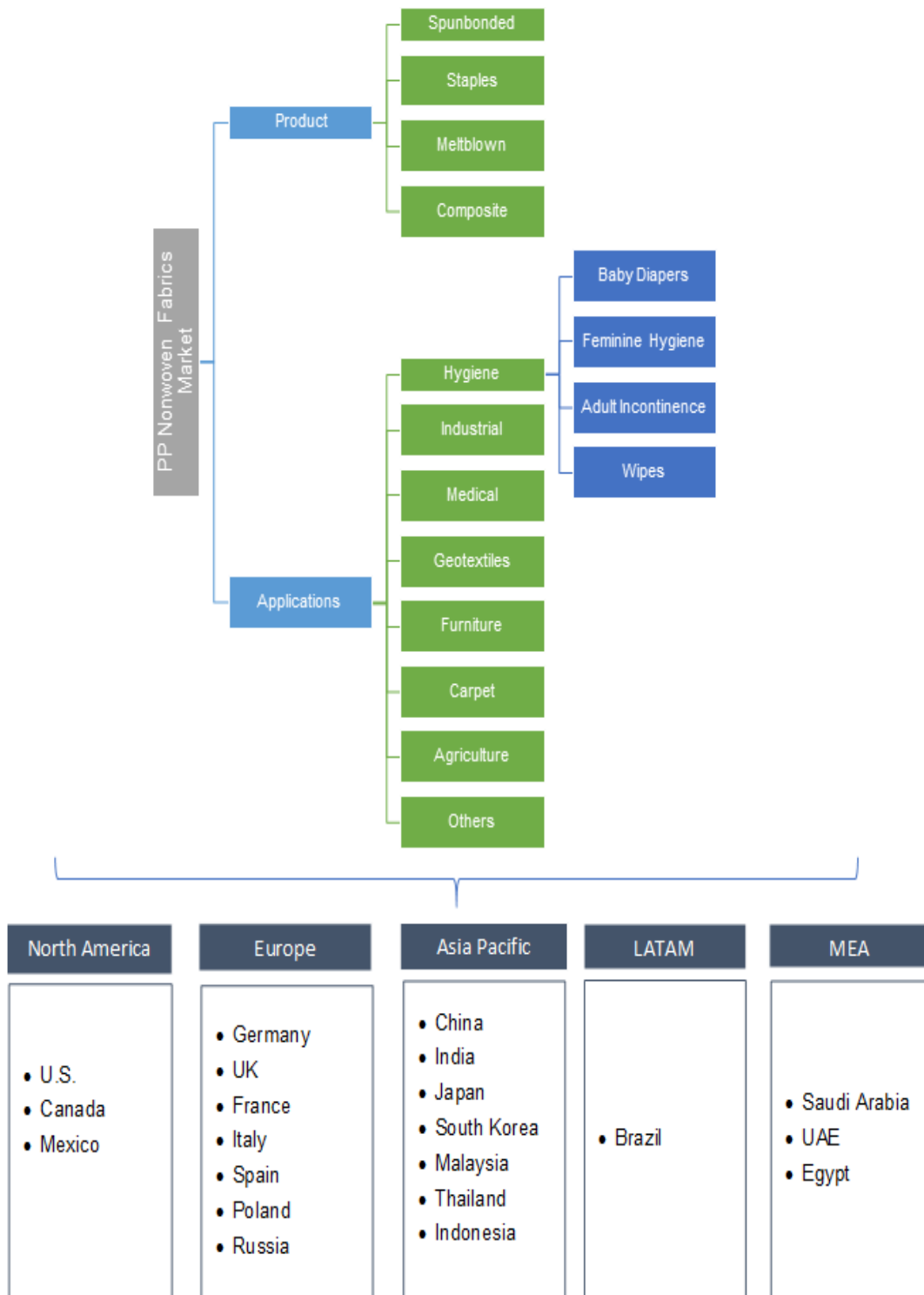
Source: Various Agencies

Note: ADB stands for Asian Development Bank. IMF is International Monetary Fund

India’s economic resilience can be seen in the domestic stimulus to growth seamlessly replacing the external stimuli. The growth of exports may have moderated in the second half of FY23. However, their surge in FY22 and the first half of FY23 induced a shift in the gears of the production processes from mild acceleration to cruise mode. Manufacturing and investment activities consequently gained traction. By the time the growth of exports moderated, the rebound in domestic consumption had sufficiently matured to take forward the growth of India’s economy. Private Consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport, which registered sequential growth of 16 per cent in real terms in Q2 of FY23 compared to the previous quarter.

[Source: <https://static.pib.gov.in/WriteReadData/userfiles/file/EconomicSurvey2023Q440.pdf>].

**INDUSTRY: Technical Textiles**

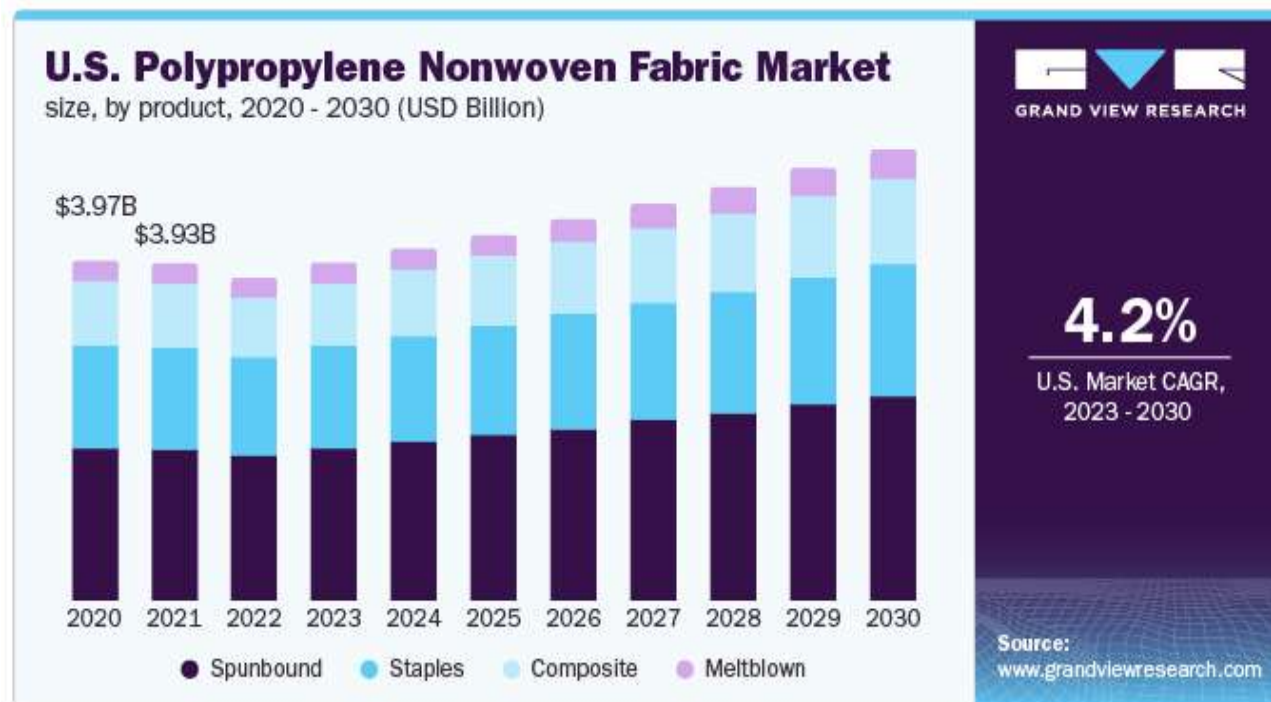


### Global Market Size

The global polypropylene nonwoven fabric market size was estimated at 27,445.2 million in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 6.5% from 2023 to 2030. The product demand is expected to witness significant growth over the projected period on account of rising product demand in end-use industries including hygiene, medical, automotive, agriculture, and furnishing. High demand for polypropylene non-woven fabric in the hygiene industry for manufacturing sanitary products for babies, women, and adults is likely to drive industry growth.

Spunbonded technology is the most widely used manufacturing process for polypropylene non-woven fabrics. Low cost and easy production process associated with this technology have been the key factor for a higher market share of these products. The demand for meltblown and composite products is expected to grow in [geotextiles](#) and industrial applications on account of their high moisture barrier and high strength properties. However, the high cost associated with meltblown polypropylene [nonwoven fabrics](#) is expected to hamper their market growth over the projected period.

The U.S. held the largest share in terms of revenue and accounted for 65.5% of the total market share in 2022. The U.S. emerged as one of the largest markets for polypropylene nonwoven fabric, in 2022, owing to huge demand from the



healthcare industry on account of the COVID outbreak in the country. The country witnessed an increase in demand for disposable polypropylene nonwovens, which are primarily manufactured using spunbonded technology, owing to its wide usage in [personal protective equipment](#).

The market is highly fragmented due to the presence of a large number of small players operating worldwide. It is characterized by high competition on prices that places a heavy demand on the development of innovative products and production efficiency thereby increasing competitive rivalry in the market. In addition, major manufacturers of polypropylene nonwoven fabric work together with their customers, raw material suppliers, and machinery manufacturers to research, develop, and implement new products to compete based on product differentiation and low-cost technology. The largest polypropylene nonwoven producers are Berry Global, Freudenberg, Kimberly-Clark Corp., Ahlstrom-Munksjo Oyj, and Johns Manville Corp. The top 10 polypropylene nonwoven producers accounted for more than 50% of the total market share in 2022. Furthermore, prominent players in the market are focusing on enhancements in business by expanding their geographical reach and introducing application-specified products. Mergers, acquisitions, joint ventures, and agreements are considered by these players to expand their portfolio and business reach.

Global Polypropylene Nonwoven Fabric Market Segmentation



This report forecasts revenue growth at the global, regional, and country levels and provides an analysis of the latest industry trends in each of the sub-segments from 2018 to 2030. For this study, Grand View Research has segmented the global polypropylene nonwoven fabric market report based on product, application, and region:

Regional Insights

Asia Pacific dominated the polypropylene nonwoven fabric market and is projected to grow at a CAGR of 6.5% in terms of revenue during the forecast period 2023-2030. This growth can be attributed to the growing demand for durable polypropylene nonwoven fabrics in industries such as construction, agriculture, and automobile over the forecast period. In addition, polypropylene nonwoven fabrics are majorly used in consumer products such as disposable diapers, adult incontinence products, and feminine care products, thus driving product demand.

The demand for polypropylene nonwoven fabrics in North America is likely to witness moderate growth over the projected period owing to the continuous demand from the hygiene, medical, and automotive industry. The industry growth in recent years is likely to grow at a slower pace over the forecast period owing to the market achieving maturity.



The nonwoven industry in Europe is witnessing growth in terms of production on account of the presence of several established nonwoven fabric manufacturers in the region. The nonwoven industry in well-established economies such as France is expected to witness steady growth, whereas countries including the U.K., Romania, Russia, Slovenia, and the Czech Republic are expected to gain traction in terms of production growth. This is expected to fuel the growth of the industry for polypropylene nonwoven fabric industry over the forecast period.

Central & South America was valued at USD 2,245.8 million in 2022 and is expected to grow at a CAGR of 7.4% over the forecast period. High consumer awareness regarding health, hygiene, and safety is expected to positively impact the polypropylene nonwoven fabrics industry over the forecast period. The economic recovery in the region is expected to support the modest growth in the polypropylene nonwoven fabrics industry. Furthermore, increasing healthcare expenditure in the region is expected to drive the hygiene and medical segment's growth over the forecast period.

### Polypropylene Nonwoven Fabric Market Report Scope

Report Attribute	Details
Market size value in 2024	USD 30.53 billion
Revenue forecast in 2030	USD 45.29 billion
Growth Rate	CAGR of 6.8% from 2024 to 2030
Actual estimates/Historical data	2018 - 2023
Forecast period	2024 - 2030
Quantitative units	Volume in Kilotons, revenue in USD Million and CAGR from 2024 to 2030
Report coverage	Revenue forecast, company ranking, competitive landscape, growth factors, and trends
Segments covered	Product, application, region
Regional scope	North America, Europe, Asia Pacific, Central & South America, and Middle East & Africa
Country scope	U.S., Canada, Mexico, UK, Germany, France, Spain, Italy, Russia, China, Japan, India, South Korea, Oceania, Taiwan, Thailand, Malaysia, Brazil, Argentina, Saudi Arabia, Turkey, South Africa, Egypt, UAE
Key companies profiled	Kimberly-Clark Corporation, Berry Global, Inc., Lydall, Inc., First Quality Nonwovens Inc., PFNonwovens a.s., Schouw & Co., Mitsui Chemicals Inc., FITESA, Toray Industries Inc., Freudenberg Group, Ahlstrom-Munksjo Oyj, Johns Manville Corporation, Suominen Corporation, Asahi Kasai Corporation
Customization scope	Free report customization (equivalent up to 8 analysts working days) with purchase. Addition or alteration to country, regional & segment scope.
Pricing and purchase options	Avail customized purchase options to meet your exact research needs. <a href="#">Explore purchase options</a>

[Source: <https://www.grandviewresearch.com/industry-analysis/polypropylene-nonwoven-fabric-market>].



## INDIAN INSIGHTS

India has a huge opportunity to capitalize on much larger portion of this growth. Government of India emphasized the promotion of all steps of the textile industry, especially by paying attention to the innumerable use of nonwovens in unnoticed applications. Indian industry is starting to expose itself to international trends by inviting foreign players to partner with entrepreneurs in India. As nonwovens and technical textiles have been considered to be the most promising and dynamic segment of the textile industry, the demand and consumption of nonwovens and technical textiles will grow enormously in the near future.

### Strength:

With a large textile manufacturing base and technical manpower, India has the potential to become the leading exporter of various nonwovens and technical textile products. The promotion of nonwovens in India is promising in healthcare as traditional textiles are replaced with single-used disposables, improving agriculture for better crop protection and geotextiles to meet increasing needs in infrastructure and the possibility of controlling floods. The major strength for Indian Nonwoven industry is listed below:

- India is one of the largest producers of natural and manmade fibres
- Population growth and increase in middle class disposable income
- Low cost skilled labor
- Ability to cater to the value chain
- Growing domestic retail market

### Weakness:

Some of the major weaknesses for Indian nonwovens industry are:

- Textile industry being fragmented to less of organized and more unorganized sector.
- Low productivity and cost competitiveness
- Obsolescence in technology
- Lack of product knowledge and expertise.

The Indian market requires about 6-7 million square meters of geotextiles for construction of 14,000 km of highway. governments initiative to mandate the usage of geotextiles and necessary steps for implementation may bring enormous results in quality of infrastructure and also boost the market for technical textiles in years to come.

Technical textiles have seen an upward trend globally in the recent years due to improving economic conditions. Technological advancements, increase in end-use applications, cost-effectiveness, durability, user-friendliness and eco-friendliness of technical textiles has led to the upsurge of its demand in the global market. Indutech, Mobiltech, Packtech, Buildtech and Homotech together represent 2/3rd of the global market in value.

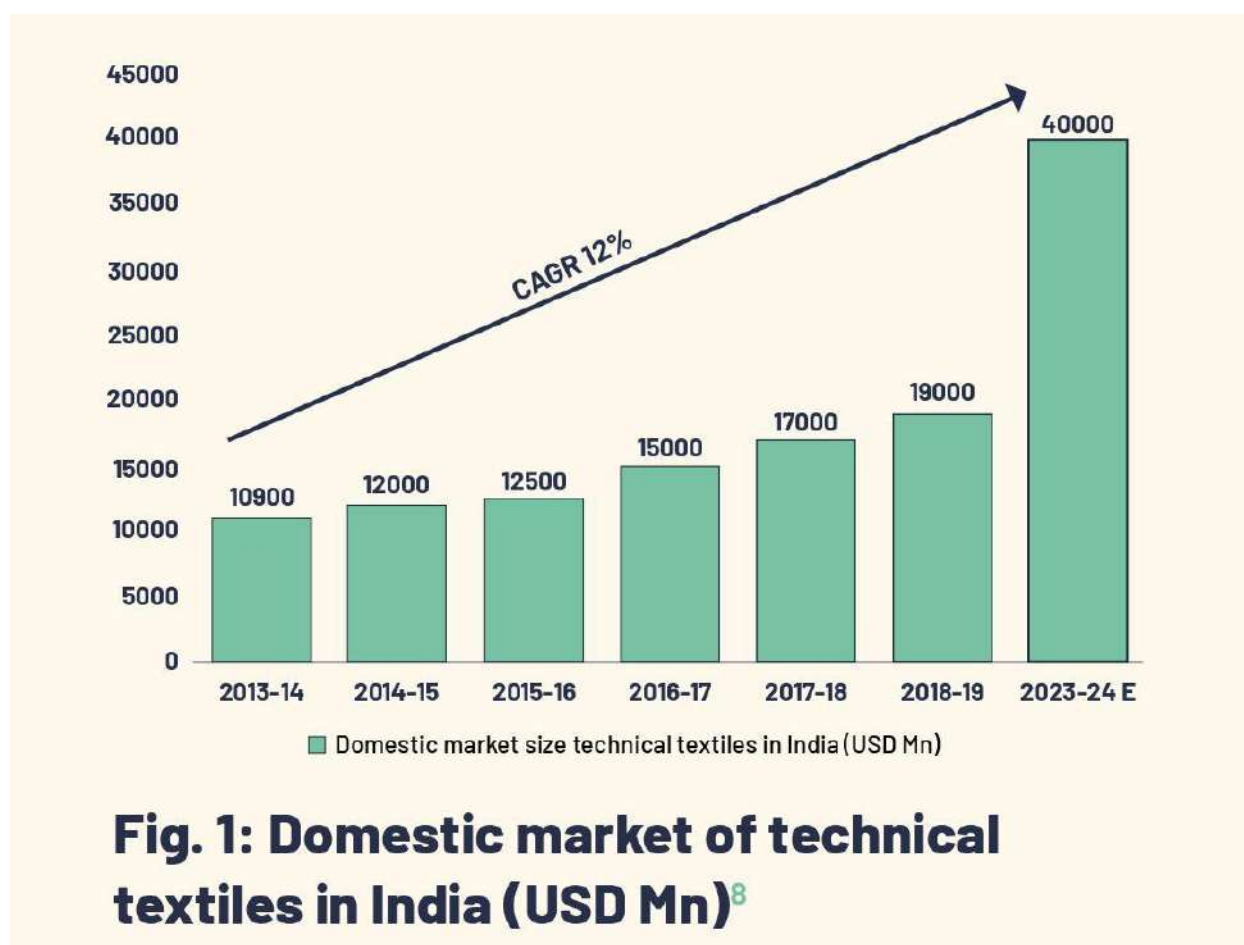
The demand for technical textiles was pegged at \$ 165 Bn in the year 2018 and is expected to grow up to \$ 220 Bn by 2025, at a CAGR of 4% from 2018-25. The Asia-Pacific has been leading the technical textiles sector by capturing 40% of the global market, while North America and Western Europe stand at 25% & 22% respectively.

Asia-Pacific has seen a tremendous growth in this sector and captures the largest market share due to rapid urbanisation and technological advancements in medical, automobile and construction industries. This is further catalysed by easy production, low cost labour and conducive government policy support.

European Union was leading in consumption from 2007-13, owing to Techtex producers proximity to large European car manufacturers. The product nomination process was unique to Europe and led to the presence of European Techtex products in different export markets worldwide. European Techtex manufacturers were able to establish a strong and unique position due to their R&D efforts and operational efficiency. However, production declined since 2013, particularly in France and Spain, due to weak demand in the automobile and construction sector.

[Source: <https://www.technicaltextile.net/articles/durables-to-disposables-are-we-ready-for-a-phase-change-3215>].

## India's Market Size



India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 10.5% to exports. Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 350 billion by 2030 with exports expected to reach US\$100 billions.

India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers. During FY24, the total exports of textiles stood at US\$ 35.9 billion. India's textile and apparel exports (including handicrafts) stood at 32.7% of the total export value FY24. Exports of readymade garments including cotton accessories stood at US\$ 14.23 billion in FY24. India's ready-made garment (RMG) exports are likely to surpass US\$ 30 billion by 2027, growing at a CAGR of 12-13%.

The textiles industry (including dyed and printed) foreign direct investment (FDI) worth US\$ 4.47 billion from April 2000-March 2024. 100% FDI (automatic route) is allowed in the Indian textile sector.

Companies involved in home textiles are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0 an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.

The Government's 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.

In June 2023, Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in textile sector.



In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.

In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.

In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9,777 people were trained in a variety of activities relating to the silk industry.

In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.

In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.

The establishment of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027-28 was approved by the government.

The Government approved the Mega Integrated Textile Region and Apparel (MITRA) Park scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period, which will boost textile manufacturing in the country.

The Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.

For the export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under the National Handloom Development Programme (NHDP). Alongside, the Ministry of Textiles has also been implementing Handloom Marketing Assistance (HMA), a component of the National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers, and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.

The government has allocated funds worth Rs. 17,822 crore (US\$ 2.38 billion) between FY16-22 for the 'Amended Technology Up-gradation Fund Scheme' (A-TUFS) to boost the Indian textile industry and enable ease of doing business.

Amazon India has signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDC), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the State.

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.

The new Economic Cooperation and Trade Agreements with Australia and the UAE will open multiple opportunities for textiles and handloom. Indian textile exports to Australia and the UAE will now face zero duties, and the government is expecting that soon, Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.

[Source: <https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation>].

## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled “Risk Factors” on page no. 20 of the Draft Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” “SCAP” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our Restated financial statements prepared in accordance with Accounting Standard set forth in the Draft Prospectus.*

### OVERVIEW

Our Company was originally incorporated on September 24<sup>th</sup>, 2011 as a private limited company in the name of “Scap Techno Fab Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Dadra and Nagar Haveli, Gujarat, Subsequently, pursuant to a special resolution of our Shareholders passed in the Extra Ordinary General Meeting held on April 12<sup>th</sup>, 2023, our Company was converted from a private limited company to public limited company and the name of our Company was changed to “Scap Techno Fab Limited” and a fresh certificate of incorporation consequent to conversion was issued on May 20<sup>th</sup>, 2023, by the Registrar of Companies, Ahmedabad, Gujarat bearing Corporate Identification Number U17120GJ2011PLC067249. For further Details of Incorporation and Change in Registered Office of our Company, please refer to section titled “History and Corporate Structure” beginning on page no. 128 of this Draft Prospectus.

Our Promoters are Mr. Pravinchandra Shamjibhai Dhanani, Mr. Sureshkumar Babubhai Gajera, Mr. Ashvinkumar Damjibhai Boda, Mr. Chetankumar Makanbhai Patel and Mr. Dhansukhbhai Nanjibhai Kakadiya laid down the foundation of our company in the year, 2011.

We are ISO 9001:2015 certified, specializes in the manufacture of Polypropylene (PP) spun bond Non-Woven Fabric, utilizing the latest updated technologies and machineries. Product is naturally Hydrophobic fabric, it repellent water and liquid forms, PP Spunbond is highly versatile and it meets the need of diverse range of products like medical, hygienic and industrial market application. PP spun bond non-woven fabric has wide range of varieties in terms of sizes, colour and density. As on the date of this Draft Prospectus, we manufacture PP non-woven fabric between 2.6 to 4 meters width and 08 GSM to 150 GSM weight.

We have 3 manufacturing facilities situated, one of them is our registered office i.e. (i) Block No-414, Plot No-49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, 394110 and other two are situated at the address: (ii) Plot No-1, 2 and 3, Survey No. 358, Vill- Nandav, Tal-Mangrol, Surat District of Gujarat, 394125. (iii) R.S. No. 411, 420 & 422, Block No-409/P, Vill-Pipodara, Tal-Mangrol, in Surat District of Gujarat, 394110. The manufacturing facility is well connected with near about transport hubs. The manufacturing facility is installed with manufacturing capacity of 15,000 MT PP non-woven fabric per annum. Additionally, 3.2 SS PP Spun Bond Non-woven Making Line Machine as Certified by Chartered Engineer is currently undergoing the installation process and is expected to be fully operational by April, 2025. Upon completion, this new machine will significantly increase our production capacity by 3,600 MT.

Till date, in our existing manufacturing vertical, we have been catering majorly to domestic customers. Since beginning, we derived our revenue from Domestic Market. We also started exporting our products to offshore customers. During last 3 years, we have derived our major revenue from exports from countries namely USA and Canada. Moreover, we also focused on domestic market for products manufactured by us. As on the date of this Draft Prospectus, we derive revenue from domestic sales from states namely Gujarat, Maharashtra, Rajasthan and Silvassa etc.

### KEY PERFORMANCE INDICATORS OF OUR COMPANY

(Amount in Lakhs)

Particulars	As on 30 <sup>th</sup> September, 2024	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
Revenue from Operations <sup>1</sup>	2,125.71	4,094.87	2,386.13	8,716.06
Growth in Revenue from Operations (%) <sup>2</sup>	-	71.61	(72.62)	1.07
EBITDA <sup>3</sup>	312.36	642.68	160.41	898.91
EBITDA Margin (%) <sup>4</sup>	14.69	15.70	6.72	10.31
PAT <sup>5</sup>	135.23	239.57	(232.93)	191.89
PAT Margin (%) <sup>6</sup>	6.36	5.85	(9.76)	2.20

Particulars	As on 30 <sup>th</sup> September, 2024	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
Net Debt <sup>7</sup>	564.74	1,158.26	1,751.46	2,918.22
Total Equity <sup>8</sup>	1,549.75	1,414.52	1,174.95	1,407.88
Average Equity <sup>9</sup>	1,482.14	1,294.74	1,291.41	1,328.69
Capital Employed	2,078.52	2,616.79	2,920.39	4,318.70
ROE (%) <sup>10</sup>	9.12	18.50	(18.04)	14.44
ROCE (%) <sup>11</sup>	9.56	13.12	(4.10)	11.16
EPS (Basic & Diluted) <sup>12</sup>	1.93	3.42	(3.33)	2.74

**Note:**

(1) Revenue from operation means revenue from sales;

(2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;

(3) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs – Other Income;

(4) EBITDA Margin' is calculated as EBITDA divided by Revenue from operations;

(5) PAT is calculated as Profit before tax – Taxes;

(6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

(7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance, and Investments.

(8) Total Equity = Equity share capital + other equity.

(9) Average equity = (Opening equity + Closing equity)/2

(10) ROE = Net profit after tax / Average equity.

(11) ROCE = Profit before tax and finance cost / Capital employed\*

\*Capital employed = Total Equity + Non-current borrowing + Current Borrowing - Deferred Tax Assets

(12) EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding at the end of the year after taking effect of bonus shares.

## OUR PRODUCT PORTFOLIO



### PP SPUNBOND NONWOVEN FABRIC

PP spunbond nonwoven fabric is a versatile material made from polypropylene (PP) fibers that are spun and bonded together to create a durable, lightweight fabric. This fabric is known for its strength, versatility, and cost-effectiveness, making it suitable for a wide range of applications.

#### Variant of PP Spunbond Nonwoven Fabric:

**UV Treated Non-Woven Fabric** is a variant of PP (Polypropylene) Spunbond Non-Woven Fabric. The UV treatment enhances the fabric's durability and resistance to degradation caused by prolonged exposure to sunlight, making it ideal for outdoor applications. This treatment could be applied to various types of non-woven fabrics used in industries like agriculture (for shade nets or protective covers), outdoor furniture, automotive, or even clothing.

#### Job work

Job Work Services refer to services provided by one party (the job worker) to another party (the principal manufacturer) where the job worker processes or transforms raw materials or semi-finished goods owned by the principal manufacturer.

Our Company offer specialized job work services for the production and processing of non-woven fabric to the customers as per their requirements.

## CHARACTERISTICS

- **Strength:** PP spunbond fabric is known for its high tensile strength and durability, making it suitable for heavy-duty applications.
- **Lightweight:** The fabric is lightweight yet strong, which contributes to its versatility.
- **Breathability:** The fabric's structure allows for good air permeability while maintaining strength.
- **Chemical Resistance:** It is resistant to many chemicals, which makes it suitable for various industrial and medical applications.
- **Cost-Effective:** Generally, more affordable than other nonwoven fabrics, making it a popular choice for many applications.

## PRODUCT SPECIFICATIONS:

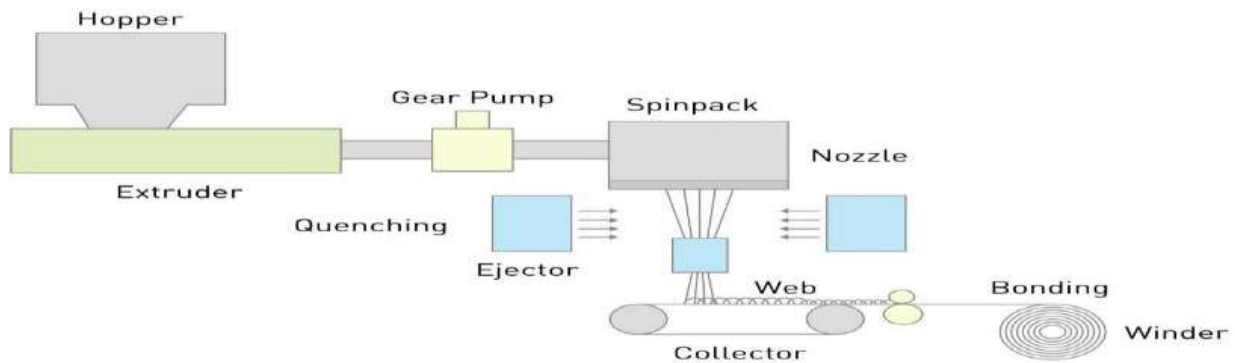
- **GSM:** 08-150;
- **Width:** 200 mm – 4,000 mm;
- **Length:** 500 M – 7,000 M;
- **Roll Length Diameter:** 250 mm – 1,100 mm;
- **Roll's Weight:** 10 kg – 600 kg;
- **Core Diameter:** “3”, “4” and “6”;
- **Packing:** Transport packing film with paper core protector.

## APPLICATION OF OUR PRODUCTS IN MAJOR INDUSTRIES

Based on its application, our product portfolio can be majorly used in following Industries:

Medical and Hygiene	Household Use
<ul style="list-style-type: none"> <li>➤ Surgical operation coat;</li> <li>➤ Protective apparel;</li> <li>➤ Medical mask;</li> <li>➤ Medical bandage;</li> <li>➤ Diaper and Sanitary napkin/wipe;</li> <li>➤ Lab coat, surgical drape, feminine hygiene.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Gown;</li> <li>➤ Table cover;</li> <li>➤ Bed clothing, pillow case;</li> <li>➤ House-wrap;</li> <li>➤ Blanket, shopping bag, etc.</li> </ul>
Garment Use	Industrial Use
<ul style="list-style-type: none"> <li>➤ Interlining for front part;</li> <li>➤ Interlining for shoes and hat, etc.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Industrial filtering cloths;</li> <li>➤ Roofing material;</li> <li>➤ Insulation protection;</li> <li>➤ Cement wrapper;</li> <li>➤ Geomembrane;</li> <li>➤ Industrial wipe, etc.;</li> <li>➤ Automotive carpet, spray-bonded Non-woven, interior decoration lining for automobile, automotive headliner.</li> </ul>
Agriculture Use	
<ul style="list-style-type: none"> <li>➤ Sprout cultivation cloth;</li> <li>➤ Warming Drape;</li> <li>➤ Crop Cover.</li> </ul>	

## MANUFACTURING PROCESS



### **Raw Material Fidding (PP, MB & Additives):**

It's a batch of Raw Material where you combine raw material with master batch in specified proportion and then its go for extrusion process.

### **Extrusion process of Raw Material:**

It's a process of melting of raw materials i.e. Polypropylene, heated the raw material on the 160 degree. The molten polypropylene is extruded through a spinneret - a device with numerous small holes - into continuous filaments. The spinneret is typically made of stainless steel and has multiple orifices to produce a large number of fine fibers simultaneously.

### **Filtering process of Raw Material:**

It's an important step in the process is filtering the molten polymer from the extruder to remove dust particles and carbon. This filtration ensures that impurities are eliminated, allowing the subsequent stages of production to proceed smoothly and efficiently.

### **Gear/Metering Pump:**

A gear pump is used to regulate the flow of raw melt to the spin pack. Its operation ensures that a consistent and adequate flow of the molten polymer is maintained, facilitating smooth and efficient processing through the spin pack.

### **Fiber Making (spin pack make fibre from raw melt):**

When the continuous melt flow is delivered from the gear pumps to the spin pack, the fiber-making process begins. During this phase, thousands of very fine polypropylene fibers are produced simultaneously, showcasing the advanced technology of the production line.

### **Honeycomb (manage to cooled newly make fibre):**

The honeycomb device, inspired by the natural structure of honeycombs, is a crucial component of the machine. Its function is to direct cooled air over the newly produced polypropylene fibers, preventing them from sticking to the conveyor belt and ensuring smooth progression to the next stage of the process.

### **Web forming (with the suction & blower technique draw the fibre on conveyor belt and pass for bonding process):**

This process is the heart of the production line. It transforms polypropylene fibers into a well-formed web of fiber sheets, marking the beginning of the nonwoven fabric production process.

### **Calendaring (calendar unit bond the drawn fibre with thermal bonding):**

This is the bonding stage, where the polypropylene fiber web is fused together using a thermal bonding system. This process results in the formation of the final PP spunbond nonwoven fabric.

### **Winder (winding of thermal bonded fabric in proper roll format):**

In the final step of the process, the polypropylene nonwoven fabric is cut and rolled according to customer specifications, and then prepared for packing.

Please find below the detailed list of raw materials procured, along with the names of the states from which they were sourced. We would also like to inform you that, in the fiscal year 2021-22, our company imported raw materials from outside India. However, since then, we have procuring 100% of our raw materials domestically and are no longer sourcing any materials from outside India.

**Details of Raw Material is metioned below:**

#### RAW MATERIAL WISE PURCHASE DATA

(₹ in Lakhs)

Product Name	30 <sup>th</sup> September 2024		2023-24		2022-23		2021-22	
	Amount	%	Amount	%	Amount	%	Amount	%
PP Chips	517.60	71.84	914.77	83.32	388.68	79.68	4,665.69	89.03
Master Batch	75.65	10.50	47.76	4.35	9.97	2.04	316.77	6.04
Paper Core	36.12	8.65	36.51	3.33	46.17	9.46	166.19	3.17
H M Bags	26.09	5.01	42.53	3.87	27.57	5.65	59.95	1.14
Repro Mix PP Chips	62.30	3.62	52.57	4.79	13.04	2.67	22.40	0.43
Bopp Tape	0.31	0.04	2.98	0.27	2.39	0.49	4.69	0.09
Non-Woven Fabrics	0.59	0.08	0.74	0.07	-	-	4.47	0.09
Roll Lable	-	-	-	-	-	-	0.22	Negligible
PP Core Plug 3"/75 GM Black	0.60	0.08	-	-	-	-	-	-
Wastage	1.19	0.17	-	-	-	-	-	-
<b>Total</b>	<b>720.46</b>	<b>100</b>	<b>1,097.85</b>	<b>100</b>	<b>487.81</b>	<b>100</b>	<b>5,240.37</b>	<b>100</b>

#### STATE WISE PURCHASE DATA

(₹ In Lakhs)

Particulars	30 <sup>th</sup> September 2024		2023-24		2022-23		2021-22	
	%	Amount	%	Amount	%	Amount	%	Amount
Gujarat	66.02	475.57	66.14	726.16	91.72	447.41	88.01	4340.29
Maharashtra	30.46	219.45	21.74	238.64	-	-	7.21	355.36
Uttar Pradesh	-	-	7.43	81.53	-	-	-	-
Dadra And Nagar Haveli	3.52	25.43	4.21	46.25	7.75	37.80	0.38	19.08
Tamilnadu	-	-	0.48	5.28	-	-	-	-
Daman And Diu	-	-	-	-	-	-	0.02	0.92
Haryana	-	-	-	-	-	-	4.38	216.11
Delhi	-	-	-	-	0.43	2.08	-	-
Rajasthan	-	-	-	-	0.10	0.53	-	-
<b>Total</b>	<b>100</b>	<b>720.45</b>	<b>100</b>	<b>1,097.85</b>	<b>100</b>	<b>487.82</b>	<b>94.10</b>	<b>4,931.76</b>

#### COUNTRY WISE PURCHASE DATA

(₹ In Lakhs)

Particulars	30 <sup>th</sup> September 2024		2023-24		2022-23		2021-22	
	%	Amount	%	Amount	%	Amount	%	Amount
Hong Kong	-	-	-	-	-	-	3.94	206.24
Singapore	-	-	-	-	-	-	1.95	102.38
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.90</b>	<b>308.62</b>

#### REVENUE BREAK-UP



Following the bifurcation of our revenue for the Period / Financial Years ended on September 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024, 2023, and 2022.

(₹ in Lakhs)

Particulars	As on 30 <sup>th</sup> September, 2024		As at on 31 <sup>st</sup> March,					
			2024		2023		2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Domestic	98.81	2,100.44	97.98	4,012.00	97.67	2,330.93	85.70	7,488.18
Exports	1.19	25.26	2.02	82.86	2.33	55.20	14.30	1,227.88
<b>Total</b>	<b>100</b>	<b>2,125.71</b>	<b>100.00</b>	<b>4,094.87</b>	<b>100.00</b>	<b>2,386.13</b>	<b>100.00</b>	<b>8,716.06</b>

#### GEOGRAPHICAL DOMESTIC REVENUE BREAK-UP

Following the geographical bifurcation of our Domestic Revenue for the Period / Financial Years ended on September 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, 2023, and 2022.

(₹ in Lakhs)

Particulars	As on 30 <sup>th</sup> September, 2024		As at on 31 <sup>st</sup> March,					
			2024		2023		2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Dadar and Nagar Haveli and Diu	84.02	1,764.70	88.41	3,547.08	93.60	2,181.83	89.01	6,665.46
Gujarat	4.84	101.71	7.82	313.61	5.27	122.87	2.74	204.94
Maharashtra	10.95	230.01	3.75	150.40	1.13	26.22	0.08	5.72
Rajasthan	0.19	4.02	0.02	0.91	-	-	8.11	607.06
Odisha	-	-	-	-	-	-	0.07	5.00
<b>Total</b>	<b>100</b>	<b>2,100.44</b>	<b>100.00</b>	<b>4,012.00</b>	<b>100.00</b>	<b>2,330.93</b>	<b>100.00</b>	<b>7,488.18</b>

#### GEOGRAPHICAL EXPORTS REVENUE BREAK-UP

Following the geographical bifurcation of our Exports Revenue for the Financial Years ended on September 30<sup>th</sup> 2024, March 31, 2024, 2023, and 2022.

(₹ In Lakhs)

S. No.	Country	As on 30 <sup>th</sup> September, 2024		As at 31 <sup>st</sup> March,					
				2024		2023		2022	
		%	Amount	%	Amount	%	Amount	%	Amount
1.	Canada	100	25.26	30.58	25.33	38.52	21.26	94.66	1,162.29
2.	U.S.A	-	-	69.42	57.53	61.48	33.94	5.34	65.59
	<b>Total</b>	<b>100</b>	<b>25.26</b>	<b>100.00</b>	<b>82.86</b>	<b>100.00</b>	<b>55.20</b>	<b>100.00</b>	<b>1,227.88</b>

#### INDUSTRY WISE REVENUE BREAK-UP

Following the bifurcation of our revenue for the Period / Financial Years ended on September 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024, 2023, and 2022.

(₹ In Lakhs)

Particulars	As on 30 <sup>th</sup> September, 2024		As at on 31 <sup>st</sup> March,					
			2024		2023		2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Construction	94.09	2,000.11	90.49	3,705.63	92.53	2,207.84	76.90	6,703.09
Packaging	5.36	114.01	4.29	175.50	6.83	162.86	22.91	1,997.16
Printing	0.44	9.28	5.08	207.93	0.30	7.16	0.07	6.11
Quilting	0.06	1.18	0.09	3.61	0.03	0.73	-	-
Medical	-	-	0.05	2.19	0.21	4.99	0.11	9.71
Agriculture	-	-	-	-	0.05	1.30	-	-
Filtration	0.05	1.13	Negligible	0.01	0.05	1.26	-	-
<b>Total</b>	<b>100</b>	<b>2,125.71</b>	<b>100</b>	<b>4,094.87</b>	<b>100</b>	<b>2,386.13</b>	<b>100</b>	<b>8716.07s</b>

#### PRODUCT WISE REVENUE BREAK-UP



Following the bifurcation of our operating revenue for the Period / Financial Years ended on September 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024, 2023, and 2022.

(₹ In Lakhs)

Products	As on 30 <sup>th</sup> September 2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Manufacturing</b>								
Job Work	1,229.96	57.86	2,786.86	68.06	18.09	0.76	127.59	1.46
Non-Woven Fabric 0-25 Gsm (UV)	182.75	8.60	407.46	9.95	607.10	25.44	3,547.14	40.70
Non Woven Fabric 0-25 Gsm (Non UV)	1.51	0.07	454.56	11.10	46.28	1.94	103.98	1.19
Non Woven Fabric 26-70 Gsm (UV)	154.19	7.25	60.74	1.48	366.19	15.35	3,657.81	41.97
Non Woven Fabric 26-70 Gsm (Non UV)	123.04	5.79	148.75	3.63	605.09	25.36	254.17	2.92
Non Woven Fabric 71-150 Gsm (UV)	418.47	19.69	184.55	4.51	457.74	19.18	905.87	10.39
Non Woven Fabric 71-150 Gsm (Non UV)	0.82	0.04	7.76	0.19	212.13	8.89	0.00	0.00
<b>Trading</b>								
Paper Tube	-	-	-	-	0.53	0.02	-	-
PP chips	14.76	0.69	-	-	-	-	14.94	0.17
Scrap	-	-	7.30	0.18	0.65	0.03	33.14	0.38
Master Batch	0.20	0.01	36.89	0.90	72.34	3.03	71.13	0.82
Repro mix	-	-	-	-	-	-	-	-
Paper core	-	-	-	-	-	-	-	-
HM Bags	-	-	-	-	-	-	-	-
Bop tape	-	-	-	-	-	-	-	-
PP Core plug	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,125.70</b>	<b>100</b>	<b>4,094.87</b>	<b>100</b>	<b>2,386.13</b>	<b>100</b>	<b>8,716.06</b>	<b>100</b>

## OUR COMPETITIVE STRENGTH

### 1. Experienced Promoters and Management Team:

Our management team is well experienced in the industry in which we are operating and has been responsible for the growth of our operations and financial performance. Our Promoters Mr. Chetan Makanbhai Patel, Mr. Ashwinbhai Damjibhai Boda, Mr. Pravinchandra Shamjibhai Dhanani and Mr. Dhansukhbhai Nanjibhai Kakdiya lead the company with their vision. They have experience of more than 12 years in the Technical Textile Industry. They all look after the strategic as well as day-to-day business operations. The strength and entrepreneurial vision of our Promoters and management have been instrumental in driving our growth and implementing our strategies. We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. Our motivated team of management and key managerial personnel complement each other to enable us to deliver high levels of client satisfaction.

### 2. Prime Location of our Manufacturing Facility and installed Capacity:

Our Manufacturing Facility is located at village Pipodara and Nandav in Surat District of Gujarat. Our Manufacturing facility is well equipped with necessary infrastructure facilities such as power, roads facilities, water etc. The

Manufacturing Facility is strategically located. Our manufacturing units enjoy the good connectivity through National Highway roads and Railway, which makes the movements of the raw material as well as finished goods easy and comfortable. Thus, it helps with smooth procurement of raw material from the suppliers and delivery of finished goods to the customers. The vicinity advantage adds to the cost effectiveness and reliability for our suppliers and customers. At present, our company is having manufacturing of Polypropylene (PP) Non-Woven Fabric upto 15,000 MT p.a.

### **3. Infrastructure and Integrated capabilities to deliver quality Products:**

We are improving our machineries from time to time. Our aim is to continuously earn customer's trust and confidence through personal attention, and hence the output of the product as per customer requirement is the foremost thing which shall be considered and attended through technology mode. We believe in providing quality products to our customers. We are devoted to quality assurance. The quality checks ensure that no defective products reached the customer and ensure reduced process rejection. We believe that our quality products have earned us a goodwill from our customers, which has resulted in customer retention and order repetition also new addition to the customer base. We provide products with competitive rates. We have developed internal procedure of checking the products at each stage of production right from receipt of raw material to dispatch of our products. Our Company focuses on consistently delivering qualitative products with the use of latest technology, thereby building customer loyalty for our product. Our company has ISO certificate 9001:2015 by TUV SUD South Asia Pvt Ltd which reflects our strong Quality Management System in our business.

### **4. Wide Application of Products:**

Our products are widely used in various application for Geotextile, Horticulture, Furniture, Construction and Healthcare etc. This benefits us from less dependency on one industry, which ultimately helps us in achieving strong financial growth.

## **BUSINESS STRATEGY**

### **1. Expanding our Capacity:**

In order to increase our capacity, our company is planning for business expansion by adding latest improved version of technology in its pool viz. PP Spun Bond Non-Woven Fabric Manufacturing Line. Our company expect installation and commencement of commercial production by April, 2025 thereby adding installed capacity of 3,600 MT PP non-woven fabric per annum. For more details, please refer to the chapter titled "*Objects of the Issue*" beginning from page no.76 of this Draft Prospectus.

### **2. Continue improving financial performance through focus on operational and functional efficiencies:**

Optimization and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in supply chain management or during the production process. Our core team also focuses on the refinement of our manufacturing processes, aimed at improved yield and efficiency, by optimizing and modifications of various parameters. We also propose to develop eco-friendly and cost-effective production processes.

We are also focused on improving our cost efficiency by optimizing the effective sourcing of raw materials, which we have ensured, as a business strategy, over the last several years. Ensuring cost efficiencies is a significant parameter in order to compete effectively, whether in the domestic market or overseas.

### **3. Leveraging our market skills and relationship:**

The business of our Company is customer oriented and always strives to maintain good relationship with the customers. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

### **4. Optimal Utilization of Resources**

Our company constantly endeavors to improve our production process, skill up gradation of workers, modernization of plant and machineries to optimize the utilization of resources. We regularly analyze our material procurement policy and manufacturing process to de-bottle neck the grey.

## **SWOT ANALYSIS**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>➤ Installed Capacity of 15,000 MT p.a.;</li> <li>➤ Experienced Management;</li> <li>➤ Locational Advantage.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Rising of Raw Material Cost;</li> <li>➤ Capital Intensive Industry.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>➤ Expanding new geographical Markets.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Economic and Political scenario in the country/world;</li> <li>➤ New Competitor.</li> </ul>

## COMPETITION

We operate in a highly competitive market and there are numbers of players. Price is the main factor in most cases for client making decision to have our products. We may face competition from our peers who have similar one or more division of our business. Competition emerges not only from small but also from big Regional, National and International players. Our experience in this business has enabled us to provide quality products in response to the customer's demand for the best quality. Moreover, there are minimal entry barriers in this industry and any expansion in capacity of existing producers would further intensify competition.

## RAW MATERIAL

### **POLYPROPYLENE**

Polypropylene (PP) is a petroleum-based thermoplastic polymer belonging to the olefin family, obtained from the polymerization of propylene. The multifilament polypropylene yarn is produced from an isotactic polypropylene homopolymer. It is produced via chain growth polymerization from the monomer propylene. Polypropylene belongs to the group of polyolefins and is partially crystalline and non-polar. Its properties are similar to polyethylene, but it is slightly harder and more heat resistant. It is a white, mechanically rugged material, and has a high chemical resistance. Polypropylene is the second- most widely produced commodity plastic (after polyethylene) and is often used in packaging and labelling.

### **ADDITIVES**

A masterbatch is a concentrated mixture of pigments and / or additives blended and extruded together in a carrier matrix, such as resin or wax that is used to add these mixed additives to a final Non-Woven Products. The additives may be used for coloring (a "colour masterbatch").

UV additives, which are also known as UV absorbers and stabilizers are chemically formulated to absorb the high energy of ultraviolet light and protect the Non-Woven Products from exposure to this energy. With UV additives, the Non-Woven Products do not come in contact with most of the UV light's harmful radiation and protect agriculture crops.

### **PAPER CORE**

A paper core used in the packaging of PP spunbond nonwoven fabric serves as a sturdy, cylindrical support to roll and store the fabric efficiently. It ensures protection during storage and transportation while maintaining the fabric's shape.

### **HM Bag**

A HM (High-Molecular) liner bag used in packing PP spunbond nonwoven fabric provides a protective barrier, safeguarding the fabric from dust, moisture, and external contaminants. It helps in preserving fabric quality during storage and transportation.

### **Repro PP Chips**

Reprocessed PP chips are recycled polypropylene materials used in the production of PP spunbond nonwoven fabric, offering a cost-effective and eco-friendly solution. They maintain essential properties like strength and durability, making them suitable for fabric manufacturing.

### **Bopp Tape**

BOPP (Biaxially Oriented Polypropylene) tape is used in packing PP spunbond nonwoven fabric to securely seal packages and ensure protection during transportation. Its strong adhesive properties provide a reliable seal while being resistant to moisture and wear.

### PP core Plug

A PP core plug, used in conjunction with paper cores for packing PP spunbond nonwoven fabric, ensures secure and stable rolling of the fabric and secure the paper core edge. It prevents shifting or damage during storage and transportation by providing added support and stability.

## SALES AND MARKETING

Our success lies in the strength of our relationship with our customers who have been associated with us for reasonable continuous period. We get the orders from our customers who are domestic as well as overseas based. Our Promoters and Directors through their experience and good relations with customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. We undertake marketing in a traditional way in guidance of our promoters through marketing team. Our marketing strategy is anchored by a dual approach, comprising personalized referrals and business-to-business (B2B) marketing initiatives, strategically led by our esteemed promoters and directors. Their vast professional networks and established relationships facilitate the acquisition of new business opportunities.

## INFRASTRUCTURE AND UTILITY

### POWER

We require power supply for manufacturing of our products and to meet our requirement, we have been provided with sufficient sanctioned load for our manufacturing facility from DGVCL (Dakshin Gujarat Vij Company Ltd). We are also having DG Set as power back up for the administrative work.

### WATER

Water is required for our manufacturing process and drinking and sanitary purpose and adequate water resources are available at manufacturing facility extracted from Ground.

## LOCATION

<b>Registered Office and Factory - 1</b>	Block No. 414, Plot No. 49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Surat, Pipodara, Gujarat, India, 394110.
<b>Factory – 2</b>	Block No. 358, Plot No. 1, 2 and 3, Vill-Nandav, Tal-Mangrol, Surat, Pipodara, Gujarat, India, 394110.
<b>Factory – 3</b>	R.S. No. 411, 420 & 422, Block No-409/P, Vill-Pipodara, Tal-Mangrol, Surat, Pipodara, Gujarat, India, 394110.

## TRANSPORTATION AND LOGISTIC

We rely on third party transporters for the delivery of our products to our customers and for procurement of Raw Materials from suppliers.

## PACKING

- Inspection:** Before packing, the non-woven fabric is thoroughly inspected for defects, inconsistencies, and quality issues. This includes checking for any imperfections in the fabric, such as holes, unevenness, or color variations.
- Testing:** Various tests may be conducted to ensure the fabric meets the required specifications and standards, such as tensile strength and thickness.
- Cutting:** The fabric is cut into specific sizes or lengths as required by the customer or application. This can be done using automated cutting machines, depending on the production scale.

4. **Core Insertion:** Placing the fabric onto a core or spool to provide support and structure during handling and transportation.
5. **Rolling Mechanism:** Using rolling machines to wind the fabric tightly and evenly around the core to prevent wrinkling and tangling.
6. **Labeling:** Each roll or bundle of fabric is labeled with essential information, including:
  - **Product Details:** Fabric type, weight, and dimensions.
  - **Batch Number:** For traceability and quality control.
  - **Customer Information:** If applicable, for specific orders.
7. **Wrapping:** The rolled fabric is wrapped in protective materials to safeguard it from dust, moisture, and physical damage. Common wrapping materials include:
  - **Plastic Film:** Stretch film or shrink wrap for protection against moisture and dust.
  - **Protective Covers:** Use of additional covers or bags for extra protection if required.
8. **Bundling:** The wrapped rolls or pieces of fabric are bundled together if needed. This step involves:
  - **Strapping:** Using straps or bands to secure the bundles for easy handling and transportation.
  - **Palletizing:** Placing bundles on pallets to facilitate movement with forklifts and to keep the fabric organized.
9. **Boxing:** For smaller quantities or specific customer requirements, the fabric may be packed into boxes. This involves:
  - **Box Preparation:** Assembling and preparing boxes to fit the fabric rolls or bundles.
  - **Boxing:** Placing the wrapped fabric into boxes and sealing them properly.
  - **Pallet Packing:** For larger quantities, the bundles or rolls are stacked on pallets and secured with stretch film or strapping to ensure stability during transit.

## TECHNOLOGY

Our Company is having 5 (Five) Nonwoven Spun bond Line Machines at its Manufacturing location.

## HUMAN RESOURCES

As on September 30<sup>th</sup>, 2024, our Company has permanent 80 employees at various levels of the Organization on the Companies payroll and there is no contractual employees in the company.

Department	No. of Staff
Surat-Office	08
Factory-Office	12
Machine-M1	10
Machine-M3	12
Machine-M4	12
Machine-M5	15
Machine-M6	11
<b>Total</b>	<b>80</b>

The attrition rate of the company is as follows:

Particulars	Till September, 2024	March 31 <sup>st</sup> ,		
		2024	2023	2022
Opening Employees	76	87	108	92
Addition	6	0	05	26
Attrition	2	11	26	10
Closing Employees	80	76	87	108

Average Employees <sup>(1)</sup>	78.5	74.5	95.5	100
Attrition Rate (%) <sup>(2)</sup>	2.56%	13.50%	26.66%	10%

1. Average Employees= (Opening employees+ Closing Employees)/2;
2. Attrition rate is calculated as Attrition/Average Employees\*100.

## PLANT AND MACHINERY

Our manufacturing unit have been setup by using the machineries and components which have been bought from reliable sources in the India as well as abroad. All the suppliers have been selected by the company on the basis of their past experience and competitive prices.



Our company has installed the following major machineries and equipment at the manufacturing facility:

S. No.	Description of Machinery	Capacity (Metric Tons per annum)	Quantity	Make	Power required to operate the Machine (KW) <sup>1</sup>	Ownneed/Rented
1.	3.2 S PP Spun Bond Non-Woven Making Line	2,400.00	01	AL Non-Woven -China	240.00	Owned
2.	4.0 S PP Spun Bond Non-Woven Making Line	3,000.00	01	AL Non-Woven -China	300.00	Owned



3.	2.6 S PP Spun Bond Non-Woven Making Line	2,000.00	01	AL Non-Woven -China	240.00	Owned
4.	3.2 SS PP Spun Bond Non-Woven Making Line	4,000.00	01	AL Non-Woven -China	480.00	Owned
5.	2.6 SS PP Spun Bond Non-Woven Making Line	3,600.00	01	AL Non-Woven -China	480.00	Owned
6.	3.2 SS PP Spun Bond Non-Woven Making Line <sup>2</sup>	3,600.00	01	DONGYANG MAYWELL -China	480.00	Owned

1. On and Average Running of Machine;
2. Serial no. 6 Machine is under Installation Process;
3. We have taken certificate from Dr. P.J. Gandhi, Chartered Engineer, Approved valuer on Capacity and Capacity utilization dated December 28<sup>th</sup>, 2024.

### CAPACITY & CAPACITY UTILIZATION

Particulars	Capacity	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Actual)	Upto 30 <sup>th</sup> september 2024	2024-25 (Est.)
Non-Woven Fabrics	Installed*	15,000.00	15,000.00	15,000.00	15,000**	15,000
	Utilized*	11,250.00	6,077.00	10,098.00	5,627**	11,500
	% of Utilization	75.00	41.00	67.00	38.00	76.00

\*Per Annum.

\*\*Considering upto 30<sup>th</sup> September, 2024;

\*We have taken certificate from Dr. P.J. Gandhi, Chartered Engineer, Approved valuer on Capacity and Capacity utilization dated December 28<sup>th</sup>, 2024.

### END USERS

We sell our products on B2B to various industries such as Horticulture, Furniture, Construction and Healthcare etc.

### EXPORTS & EXPORTS OBLIGATIONS

The Company has no export obligation as on date of this Draft Prospectus.

### COLLABORATIONS / TIE-UPS/JOINT VENTURES

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Draft Prospectus.

### DETAILS OF PROPERTIES

### INTELLECTUAL PROPERTY

#### Trademark

Brand Name/ Logo Trademark	Class	Application No.	Owner of Trademark	Date of Application	Current Status
	22	5752705	Scap Techno Fab Private Limited*	May 25, 2024	Pending*

\*Our Company has made applications to authority for updating the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company, but is yet to receive the formal approval.



**Domain**

Domain Name and ID	Registry Domain ID	Registrant Name and ID	Creation Date	Registry Expiry Date
<a href="http://www.scaptechnofab.com">www.scaptechnofab.com</a>	GoDaddy.com, LLC	Scap Techno Fab Private Limited	August 12, 2014	August 12, 2025

**LAND AND PROPERTY**

Particulars of the property, description and area	Licensor / Lessor / Owner	Owned/ Leased/ License	Consideration / Lease Rental / License Fees (in ₹)	Usage
<p><b>Address:</b> Block No. 414, Plot No. 49 and 50, R.S. No. 421, 424, 425 and 536, Village-Pipodra, Taluka-Mangrol, District – Surat.</p> <p><b>Area:</b> 237.92 sq. mtr.</p> <p><b>Validity:</b> The agreement is for 10 years from December 01<sup>st</sup>, 2015 to November 30<sup>th</sup>, 2025</p>	Pravinchandra Dhanani	Rent	₹5,000/- per month	Registered Office and Factory - 1
<p><b>Address:</b> Block No. 414, Plot No. 51 and 52, R.S. No. 421, 424, 425 &amp; 536, Village-Pipodra, Taluka-Mangrol, District – Surat.</p> <p><b>Area:</b> 237.92 sq. mtr.</p> <p><b>Validity:</b> The agreement is for 10 years from December 01<sup>st</sup>, 2015 to November 30<sup>th</sup>, 2025.</p>	Ashvin Damjibhai Boda	Rent	₹5000/- per month	Registered Office and Factory - 1
<p><b>Address:</b> Block No. 414, Plot No. 53, 54 and 55, R.S. No. 421, 424, 425 &amp; 536, Village-Pipodra, Taluka-Mangrol, District – Surat</p> <p><b>Area:</b> 356.88 sq. mtr.</p> <p><b>Validity:</b> The agreement is for 10 years from December 01<sup>st</sup>, 2015 to November 30<sup>th</sup>, 2025.</p>	Makanbhai Govindbhai Patel	Rent	₹7,500/- per month	Registered Office and Factory – 1
<p><b>Address:</b> Block No. 414, Shed No. 58, 59, 61, 62, 63, 64, R.S. No. 421, 424, 425 &amp; 536, Village-Pipodra, Taluka - Mangrol, District – Surat.</p> <p><b>Area:</b> 913.70 sq. mtr.</p> <p><b>Validity:</b> The agreement is for 5 years from April 01<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2029.</p>	Patel Textiles	Rent	₹12,000/- per month	Registered Office and Factory – 1
<p><b>Address:</b> Block No. 414, Shed No. 60, R.S. No. 421, 424, 425 and 536, Village-Pipodra, Taluka-Mangrol, District – Surat.</p>	Pravinchandra Dhanani	Rent	₹2,000/- per month	Registered Office and Factory – 1

<b>Area:</b> 118.95 sq. mtr.  <b>Validity:</b> The agreement is for 5 years from April 01 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2029.				
<b>Address:</b> Block No. 358, Unit No. D-5 Paiki, D-6 and D-7 in Private Plot No. 01, 02, 03, Village-Moje Nandav, Taluka-Mangrol, District – Surat.  <b>Area:</b> 6,750 sq. mtr.  <b>Validity:</b> The agreement is for 11 months from April 01 <sup>st</sup> , 2024 to February 28 <sup>th</sup> , 2025.	Ashwin Boda, Pravinchandra Dhanani. Chetan Patel. Suresh Gajera. Dhansukh Kakadiya	Rent	₹7,98,930/- per month	Factory – 2
<b>Address:</b> Block No. 409, R.S. No. 411, 420 and 422 of village Pipodara, Taluka Mangrol, District-Surat.  <b>Area:</b> 2,327.28 sq. mtr.  <b>Validity:</b> The agreement is for 10 years from July 01 <sup>st</sup> , 2017 to June 30 <sup>th</sup> , 2027.	Nilesh Limabhai Patel	Rent	-₹1,00,000 per month and will increase by 10% on every 3 years for 10 years;  -₹7,50,000 deposit paid to licensor.	Factory – 3

#### COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

As on date of this Draft Prospectus, our Company has not entered into any technical or other Collaboration / Tie Ups / Joint Ventures.

#### RECENT AND CONTINUING DEVELOPMENTS – COVID 19 PANDEMIC

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. There have been multiple waves of infections that have impacted certain countries, with India most recently experiencing a second wave of infections that significantly increased the number of persons impacted by COVID-19. Since March 2021, there was a significant resurgence in the daily number of new COVID-19 cases and resulting deaths and the GoI and State Governments in India re-imposed lockdowns and other more restrictive measures in an effort to stop the resurgence of new infections. From March 2021 onwards, due to a “second wave” of increases in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. We have monitored and are monitoring the situation closely and is operating its activities with the required workforce as permitted by governmental authorities. Additionally, towards the end of calendar year 2021, World Health Organization designated Omicron, a variant that causes COVID – 19, of a great concern. As a result of the detection of new mutated strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, it is anticipated that we may be subject to further reinstatements of lockdown protocols or other restrictions, and the COVID-19 pandemic may continue to affect our business, results of operations and financial condition. For example, our operations were temporarily shut down at our Manufacturing Facility from March 23, 2020 to March 26, 2022, our ability to travel, interact with potential customers, pursue partnerships and other business transactions was affected, our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials affected our business. Further, a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order. For further information on the impact of COVID-19 on our business and the risks associated with COVID-19 to our business, see “Risk Factors” beginning from on page no.20.

#### INSURANCE

Policy No.	Type of Policy	Policy Period	Nature of Coverage	Policy Issuing Office	Total Sum Assured (₹ In Lakhs)
23030011234300000058	Fire Insurance under New India Bharat Laghu Udyam Suraksha Policy	From 25 <sup>th</sup> February 2024 To 24 <sup>th</sup> February 2025	Factory	The New India Assurance Co. Ltd.	1,101.00
23030011249600000025	Fire Insurance under New India Bharat Laghu Udyam Suraksha Policy	From 27 <sup>th</sup> July 2024 To 26 <sup>th</sup> July 2025	Factory	The New India Assurance Co. Ltd.	610.00
23030011224300000039	Fire Insurance under New India Bharat Laghu Udyam Suraksha Policy	From 23 <sup>rd</sup> March 2024 To 22 <sup>nd</sup> March 2025	Factory	The New India Assurance Co. Ltd.	1,200.00
23030036240100000172	Workman Compensation Insurance Policy under Schedule for Employees Compensation Insurance	From 13 <sup>th</sup> July 2024 To 12 <sup>th</sup> July 2025	Employees	The New India Assurance Co. Ltd.	320.05

## KEY INDUSTRY REGULATIONS

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page no.180 of this Draft Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### SEBI REGULATIONS

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### TAX RELATED REGULATIONS

#### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

#### Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

## **BUSINESS / TRADE RELATED LAWS / REGULATIONS**

### **Plastic Waste Management (PWM) Rules, 2016**

The government of India, through the Ministry of Environment, Forest and Climate Change notified the new Plastic Waste Management Rules, 2016 (through a Gazette notification dated 18 March, 2016). This supersedes the Plastic Waste (Management and Handling) Rules, 2011 that governed such activities earlier. This provides the framework for how plastic waste generators, local bodies, manufacturers, importers etc., to manage plastic waste.

### **The Bureau of Indian Standards Act, 1986**

The Bureau of Indian Standards Act, 1986 (“BIS Act”) was established to provide for the establishment of a bureau (“Bureau”) for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. “Indian Standard” means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

## **ENVIRONMENT LAWS:**

### **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy: -

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

### **Environmental Legislations**

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), and the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The 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 obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment. The Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.

#### **The Noise Pollution (Regulation and Control) Rules, 2000**

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

#### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The 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.

#### **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

### **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

#### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP Offers an updated circular.

The Reserve Bank of India (“RBI”) also offers Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may Offer fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh Offer of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh offer of shares would be subject to the reporting requirements, inter-alia with respect to consideration for Offer of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted



in our company under automatic route.

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

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services. 100 % FDI is permitted in under the automatic route in the IT sector.

### **Duty Drawback Scheme**

The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (the “Drawback Rules”) have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation. Under duty drawback scheme, an exporter can opt for either all industry rate of duty drawback scheme or brand rate of duty drawback scheme.

The all-industry rate of duty drawback scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of the Drawback Rules in cases where the export product does not have any all-industry rate or duty drawback rate, or where the all industry rate duty drawback rate notified is considered by the exporter insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products. For goods having an all industry rate, the brand rate facility to particular exporters is available only if it is established that the compensation by all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

### **Merchandise Exports from India Scheme**

Pursuant to the Foreign Trade Policy (2015-2020), the Merchandise Exports from India Scheme (the “MEI Scheme”) was introduced to provide rewards to exporters to offset infrastructure inefficiencies and associated costs in export of goods, especially those having high export intensity, employment potential and ability to enhance India’s export competitiveness. Export of notified goods to notified markets are rewarded under the MEI Scheme. The basis for calculation of the reward under the MEI Scheme is on the Free on Board (“FOB”) value of exports realized in free foreign exchange or on the FOB value of exports mentioned in the shipping bill, whichever is less, unless otherwise specified. With effect from June 1, 2015, the MEI Scheme mandatorily requires a declaration of intent to be endorsed on the shipping bills (except free shipping bills) to be eligible to claim any reward under the MEI Scheme.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**



### **The 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 Inter-State 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 Central Government.

### **The 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 Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

### **The Industrial Relations Code, 2020 (“Industrial Code”)**

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from

time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

### **The Factories Act, 1948**

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places. Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”);
- Industrial (Development and Regulation) Act, 1951 (“IDRA”);
- Industrial Disputes Act, 1947 (“ID Act”);
- Payment of Bonus Act, 1965 (“POB Act”);
- Child Labour (Prohibition and Regulation) Act, 1986;
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”);
- Equal Remuneration Act, 1976 (“ER Act”);
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition);
- Central Rules, 1971 (Contract Labour Rules);
- Workmen Compensation Act, 1923 (“WCA”);
- Maternity Benefit Act, 1961 (“Maternity Act”);
- Industrial Employment Standing Orders Act, 1946.

### **OTHER GENERAL RULES AND REGULATIONS:**

#### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is

required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **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 Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Intellectual Property Laws**

The Patents Act, 1970 (Patent Act) protects innovations in terms of machinery, development and improvement of existing formulae for manufacturing of various kinds of goods, materials and like. The Trade Marks Act, 1999 (“Trade Marks Act”) provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

The Copyright Act, 1957 (“Copyright Act”) governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### **Prevention of Black Marketing and Maintenance of Supplies Act, 1980**

The “Prevention of Black Marketing and Maintenance of Supplies Act” came in 1980. It is an "Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith".

### **Prevention of Money Laundering Act, 2002**

Money laundering is the processing of criminal proceeds to disguise its illegal origin. Terrorism, illegal arms sales, financial crimes, smuggling, and the activities of organized crime, including drug trafficking and prostitution rings, generate huge sums. Embezzlement, insider trading, bribery and computer fraud also produce large profits and create an incentive to legitimize the ill-gotten gains through money laundering. When a criminal activity generates substantial profits, the individual or group involved in such activities route the funds to safe heavens by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention. Most fundamentally, money laundering is inextricably linked to the underlying criminal activity that generates it. In essence, the laundering enables criminal activity to continue.

### **The Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019**

The Gujarat Shops & Establishments (Regulation of Employment and Conditions of Service) Act, 2019 (“2019 Act”) was published in the gazette of the State of Gujarat on March 07<sup>th</sup>, 2019 and has been in force from May 01<sup>st</sup>, 2019. The shops and establishments already validly registered under the erstwhile 1948 Act are not required to register themselves afresh under the new Act until the expiry of the previous registration. Traders and businessmen having up to 9 workers are exempt from registration. Such employers are required to submit an online application along with self-certified documents within 60 days of commencement of business. As regards shops and establishments having 10 or more workers, an application for registration, self- declaration and self-certified documents must be submitted to the concerned Inspector along with prescribed fees within 60 days of commencement of business. Once registered under the 2019 Act, the shops/establishments shall remain validly registered until there is change in ownership or nature of business. This means the registration obtained shall not be required to be renewed.

### **The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not duly stamped cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

### **The Legal Metrology Act, 2009 (the “Legal Metrology Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011**

The Legal Metrology 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 and for matters connected therewith or incidental thereto. The Legal Metrology Act governs the standards/units/denominations used for weights and measures. It also states that any transaction/contract relating to goods shall be as per the weight/measurement prescribed by the Legal Metrology Act. Such weights and measures are required to be verified and re-verified periodically before usage through government approved test centres. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Any non-compliance or violation under the Legal Metrology Act may result in, inter alia, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Legal Metrology (Packaged Commodities) Rules, 2011 (the “Packaged Commodities Rules”) were framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lay down specific provisions applicable to packages intended for retail sale, wholesale and for export and import. A “pre –packaged commodity” means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules provide that it is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed. Further, all pre-packaged commodities must conform to the declarations provided thereon as per the requirement of Section 18(1) of the Legal Metrology Act and no pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual maximum retail price and bringing e-commerce within the ambit of these rules.

## **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

## **OTHER REGULATIONS:**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

## HISTORY AND CORPORATE STRUCTURE

### COMPANY'S BACKGROUND

Our Company was originally incorporated on September 24<sup>th</sup>, 2011 as a private limited company in the name of “Scap Techno Fab Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Dadra and Nagar Havelli, Gujarat, Subsequently, pursuant to a special resolution of our Shareholders passed in the Extra Ordinary General Meeting held on April 12<sup>th</sup>, 2023, our Company was converted from a private limited company to public limited company and the name of our Company was changed to “Scap Techno Fab Limited” and a fresh certificate of incorporation consequent to conversion was issued on May 20<sup>th</sup>, 2023, by the Registrar of Companies, Ahmedabad, Gujarat bearing Corporate Identification Number U17120GJ2011PLC067249. For further Details of Incorporation and Change in Registered Office of our Company, please refer to section titled “History and Corporate Structure” beginning on page no. 128 of this Draft Prospectus.

Our Promoters are Mr. Pravinchandra Shamjibhai Dhanani, Mr. Sureshkumar Babubhai Gajera, Mr. Ashvinkumar Damjibhai Boda, Mr. Chetankumar Makanbhai Patel and Mr. Dhansukhbhai Nanjibhai Kakadiya laid down the foundation of our company in the year, 2011.

We are ISO 9001:2015 certified, specializes in the manufacture of Polypropylene (PP) spun bond Non-Woven Fabric, utilizing the latest updated technologies and machineries. Product is naturally Hydrophobic fabric, it repellent water and liquid forms, PP Spunbond is highly versatile and it meets the need of diverse range of products like medical, hygienic and industrial market application. PP spun bond non-woven fabric has wide range of varieties in terms of sizes, colour and density. As on the date of this Draft Prospectus, we manufacture PP non-woven fabric between 2.6 to 4 meters width and 08 GSM to 150 GSM weight.

We have 3 manufacturing facilities situated, one of them is our registered office i.e. (i) Block No-414, Plot No-49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, 394110 and other two are situated at the address: (ii) Plot No-1, 2 and 3, Survey No. 358, Vill- Nandav, Tal-Mangrol, Surat District of Gujarat, 394125. (iii) R.S. No. 411, 420 & 422, Block No-409/P, Vill-Pipodara, Tal-Mangrol, in Surat District of Gujarat, 394110. The manufacturing facility is well connected with near about transport hubs. The manufacturing facility is installed with manufacturing capacity of 15,000 MT PP non-woven fabric per annum. One of the Machine (3.2 SS PP Spun Bond Non-woven Making Line) as Certified by Chartered Engineer is currently undergoing the installation process and is expected to be fully operational by April, 2025. Upon completion, this new machine will significantly increase our production capacity by 3,600 MT.

Till date, in our existing manufacturing vertical, we have been catering majorly to domestic customers. Since beginning, we derived our revenue from Domestic Market. We also started exporting our products to offshore customers. During last 3 years, we have derived our major revenue from exports from countries namely USA and Canada. Moreover, we also focused on domestic market for products manufactured by us. As on the date of this Draft Prospectus, we derive revenue from domestic sales from states namely Gujarat, Maharashtra, Rajasthan and Silvassa etc.

We believe that the high level of customer retention and growth in the number of customers reflects the value proposition we provide and positions us for further growth. The financial performance of the company for last three years as per restated financial Statement.

### REGISTERED OFFICE

Registered Office of the Company is presently situated at Block No-414, Plot No-49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Pipodara, Surat – 394110, Gujarat, India.

The Registered office of our Company has been changed from time to time since incorporation, details of which are given hereunder:

Date of Change of Registered office	Registered Office		Reason
On Incorporation	6/1682, Gundi Sheri, Lal Darwaja, Surat - 395003, Gujarat, India.		-
	<b>Changed from</b>	<b>Changed to</b>	
July 09 <sup>th</sup> , 2013	6/1682, Gundi Sheri, Lal Darwaja, Surat - 395003, Gujarat, India.	Shed No. 58 to 64, R. S. No. 421, 424, 425 & 536, Block No. 414, Moje Pipodara, Tal: Mangrol,	Operational Convenience



		Surat - 394110, Gujarat, India.	
December 16 <sup>th</sup> , 2016	Shed No. 58 to 64, R. S. No. 421, 424, 425 & 536, Block No. 414, Moje Pipodara, Tal: Mangrol, Surat - 394110, Gujarat, India.	Block No-414, Plot No-49 to 55,58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Pipodara, Surat - 394110, Gujarat, India.	Operational Convenience

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

### AUTHORIZED CAPITAL

The following changes have been made in the Authorized Capital of our Company since its inception:

Date of Amendment	Particulars
On Incorporation	Authorized capital as ₹ 1.00 Lakh.
November 28 <sup>th</sup> , 2011	Increased in authorized capital from ₹ 1.00 Lakh to ₹ 80.00 Lakhs.
January 28 <sup>th</sup> , 2016	Increased in authorized capital from ₹ 80.00 Lakhs to ₹ 125.00 Lakhs.
January 23 <sup>rd</sup> , 2023	Increased in authorized capital from ₹ 125.00 Lakhs to ₹ 1,200.00 Lakhs.

### MAJOR EVENTS

There are no major events in the company since its incorporation except as mentioned below.

Year	Key Events/Milestone/ Achievement
2011	Incorporation of the Company in the name and style of “Scap Techno Fab Private Limited” vide Certificate of Incorporation dated September 24 <sup>th</sup> , 2011.
2023	Conversion of our company status from Private Limited to Limited Company vide fresh Certificate of Incorporation dated May 19 <sup>th</sup> , 2023.

### OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “*Industry Overview*”, “*Business Overview*”, and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page nos. 95, 104 and 158 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “*Capital Structure*” and “*Our Management*” beginning on page nos. 48 and 132 respectively of this Draft Prospectus.

### RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, please see the section entitled “*Capital Structure*” and “*Restated Financial Statements*” on page nos. 48 and 155 respectively of this Draft Prospectus.

### DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS AND CONVERSION OF LOAN INTO EQUITY

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

### SUBSIDIARIES/HOLDINGS OF THE COMPANY

Our company does not have any subsidiaries and Holding Company as on the date of this Draft Prospectus and for more details about other group companies, please see the section entitled “*Information With Respect To Group Companies/Entities*” on page no. 183 of this Draft Prospectus.

## **INJUNCTION AND RESTRAINING ORDER**

Our company is not under any injunction or restraining order, as on date of filing of this Draft Prospectus.

## **MANAGERIAL COMPETENCE**

For managerial Competence, please refer to the section “*Our Management*” on Page no. 132 of this Draft Prospectus.

## **MATERIAL ACQUISITIONS/ AMALGAMATIONS/ MERGERS/ REVALUATION OF ASSETS/ DIVESTMENT OF BUSINESS/ UNDERTAKING IN LAST TEN YEARS**

There has been no Material Acquisitions / Amalgamations / Mergers / Revaluation of Assets / Divestment of Business/Undertaking in last ten years.

## **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Draft Prospectus, the total numbers of equity shareholders are 8 (Eight). For more details on the shareholding of the members, please see the section titled “*Capital Structure*” at page no. 48 of this Draft Prospectus.

## **MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. Our Company has not changed its Object since its Incorporation. The objects for which our Company is established are:

- *To carry on the business of exporters, importers, buyers, sellers, manufacturers, producers, buying agent, selling agent, commission agent, factors, distributors, stockiest, agent, traders, supplier, dealers, manufacturer, twister, texturisers, crimpers, processors, spinners, doublers, weavers, ginner, balers of industrial fabric, synthetic yarn, synthetic fabrics, non-woven fabrics, cotton, wool, silk yarn, flex, hemp, twine of all kinds of whatsoever description like art silk, nylon, polyester, acrylic, viscose, poly propylene, terelene, linen, canvas and all other kinds of fibrous materials or substances and to act as job workers or undertake all activities of value addition to any textile products including embroidery, stitching, designing, dyeing, painting, printing of grey, cloth, yarn, threads, fibers.*

## **SHAREHOLDERS' AGREEMENTS**

Our Company has not entered into any shareholder’s agreement as on the date of filing this Draft Prospectus.

## **OTHER AGREEMENTS**

As on the date of this Draft Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered as on the date of this Draft Prospectus.

## **JOINT VENTURE AGREEMENTS**

Our Company has not entered into any Joint Venture Agreement on the date of this Draft Prospectus.

## **COLLABORATION AGREEMENTS**

Our Company has not entered into any collaboration agreement as on the date of this Draft Prospectus.

## **STRATEGIC PARTNERS**

Our Company is not having any strategic partner as on the date of filing this Draft Prospectus.

## **FINANCIAL PARTENRS**





Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Prospectus.

## OUR MANAGEMENT

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15, at least two thirds of whom shall be liable to retire by rotation other than Independent Directors. Our Company currently has 6 (Six) directors on our Board out of which 3 (Three) are Executive Directors, 1 (One) is Non-Executive Director and 2 (Two) are Independent Directors.

S. No.	Name of the Director	Designation
1.	Mr. Chetankumar Makanbhai Patel	Chairman and Managing Director
2.	Mr. Pravinchandra Shamjibhai Dhanani	Whole Time Director
3.	Mr. Sureshkumar Babubhai Gajera	Whole Time Director
4.	Mrs. Hinaben Pravinchandra Dhanani	Non-Executive Director
5.	Mr. Rajesh Kalubhai Mepani	Independent Director
6.	Mr. Nareshkumar Purshottambhai Lakhani	Independent Director

The Following table sets forth details regarding the Board of Directors as on the date of this Draft Prospectus:

MR. CHETANKUMAR MAKANBHAI PATEL	
<b>Father's Name</b>	Mr. Makanbhai Govindbhai Patel.
<b>DIN</b>	05105124.
<b>Date of Birth</b>	September 19 <sup>th</sup> , 1986.
<b>Age</b>	38 Years.
<b>Designation</b>	Chairman and Managing Director.
<b>Status</b>	Executive.
<b>Qualification</b>	Eleventh Standard.
<b>No. of years of Experience</b>	13 Years in Textile Industry.
<b>Address</b>	Varachha Road, A-5, Vishveshwar Society, Surat, Gujarat-395006.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Initially appointed as an Executive Director on October 17 <sup>th</sup> , 2011, subsequently re-designated as Whole Time Director on February 11 <sup>th</sup> , 2017. Presently re-designated as Managing Director on October 28 <sup>th</sup> , 2022, subsequently term of appointment is revised for term of 5 years with effect from July 25 <sup>th</sup> 2023, to July 24 <sup>th</sup> 2028.
<b>Term of Appointment and date of expiration of current term of office.</b>	Holds office for a period of 5 years w.e.f. July 25 <sup>th</sup> , 2023 and liable to retire by rotation.
<b>Other Directorships</b>	1. Scap Tex Coat Private Limited; 2. Scap Specialized Material Private Limited.

MR. PRAVINCHANDRA SHAMJIBHAI DHANANI	
<b>Father's Name</b>	Mr. Shamjibhai Kamjibhai Dhanani.
<b>DIN</b>	03595321.
<b>Date of Birth</b>	March 26 <sup>th</sup> , 1967.
<b>Age</b>	57 Years.
<b>Designation</b>	Whole Time Director.
<b>Status</b>	Executive.
<b>Qualification</b>	Bachelor of Engineering in (Instrumentation).
<b>No. of years of Experience</b>	13 years in Textile Industry.
<b>Address</b>	34, Shanti Palace Society, Behind Navyug College, Rander Road, Choryasi, Surat, Gujarat-395005, India.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Initially appointed as an Executive director on September 24 <sup>th</sup> , 2011. subsequently

<b>MR. PRAVINCHANDRA SHAMJIBHAI DHANANI</b>	
	re-designated as Whole Time Director on February 11 <sup>th</sup> , 2017. Presently re-designated as Whole Time Director on February 11 <sup>th</sup> 2017, subsequently term of appointment is revised for term of 5 years with effect from July 25 <sup>th</sup> 2023, to July 24 <sup>th</sup> 2028.
<b>Term of Appointment and date of expiration of current term of office.</b>	Holds office for a period of 5 years w.e.f. July 25 <sup>th</sup> , 2023 and liable to retire by rotation.
<b>Other Directorships</b>	1. Scap Tex Coat Private Limited; 2. Scap Specialized Material Private Limited.

<b>MR. SURESHKUMAR BABUBHAI GAJERA</b>	
<b>Father's Name</b>	Mr. Babubhai Nagajibhai Gajera.
<b>DIN</b>	03627136.
<b>Date of Birth</b>	March 15 <sup>th</sup> , 1973.
<b>Age</b>	51 Years.
<b>Designation</b>	Whole Time Director.
<b>Status</b>	Executive.
<b>Qualification</b>	Higher Secondary Education.
<b>No. of years of Experience</b>	13 years in Textile Industry.
<b>Address</b>	18, Shantiniketan Soc., Sumul Dairy Road, Katargam, Surat - 395004, Gujarat, India.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Initially appointment as an Executive Director from April 01 <sup>st</sup> , 2016. Presently re-designated as Whole Time Director from February 11 <sup>th</sup> , 2017. subsequently term of appointment is revised for term of 5 years with effect from July 25 <sup>th</sup> 2023, to July 24 <sup>th</sup> 2028.
<b>Term of Appointment and date of expiration of current term of office.</b>	Holds office for a period of 5 years w.e.f. July 25 <sup>th</sup> , 2023 and liable to retire by rotation.
<b>Other Directorships</b>	1. Scap Tex Coat Private Limited.

<b>MRS. HINABEN PRAVINCHANDRA DHANANI</b>	
<b>Father's Name</b>	Mr. Manjibhai Dhanjibhai Patel.
<b>DIN</b>	10253029.
<b>Date of Birth</b>	October 23 <sup>rd</sup> , 1970.
<b>Age</b>	54 Years.
<b>Designation</b>	Director.
<b>Status</b>	Non-Executive.
<b>Qualification</b>	Bachelor of Home Science.
<b>No. of years of Experience</b>	4 years in Paper and Packaging Industry.
<b>Address</b>	34, Shanti Palace Society, Behind Navyug College, Rander Road, Surat, Gujarat-395009.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Appointed as Non-Executive Director with the effect from August 01 <sup>st</sup> , 2023.
<b>Term of Appointment and date of expiration of current term of office.</b>	Appointed as Non-Executive Director with the effect from August 01 <sup>st</sup> , 2023, liable for retire by rotation.
<b>Other Directorships</b>	N.A.

<b>MR. RAJESH KALUBHAI MEPANI</b>	
<b>Father's Name</b>	Mr. K. S. Mepani.
<b>DIN</b>	07841263.

<b>MR. RAJESH KALUBHAI MEPANI</b>	
<b>Date of Birth</b>	April 30 <sup>th</sup> , 1980.
<b>Age</b>	44 Years.
<b>Designation</b>	Independent Director.
<b>Status</b>	Non-Executive.
<b>Qualification</b>	Bachelors of Commerce and Bachelors of Law.
<b>No. of years of Experience</b>	7 years in Packaging Industry.
<b>Address</b>	13, Shyam Krushna Row House, Mahadev Chok, Mota Varachha, Surat, Gujarat – 394101.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Appointed as an Independent Director with the effect from August 01 <sup>st</sup> , 2023.
<b>Term of Appointment and date of expiration of current term of office</b>	Appointed as an Independent Director with the effect from August 01 <sup>st</sup> , 2023, for the period of 5 years, and not liable to retire by rotation.
<b>Other Directorships</b>	1. Shish Industries Limited; 2. Interstar Polyfab Private Limited; 3. Sihora Industries Limited.

<b>MR. NARESHKUMAR PURSHOTTAMBHAI LAKHANI</b>	
<b>Father's Name</b>	Mr. Purshottambhai Nathubhai Lakhani
<b>DIN</b>	09023300
<b>Date of Birth</b>	January 01 <sup>st</sup> 1974
<b>Age</b>	51 Years.
<b>Designation</b>	Independent Director
<b>Status</b>	Non Executive
<b>Qualification</b>	Chartered Accountant, Bachelor of Laws, Bachelor of commerce.
<b>No. of years of experience</b>	20 years in Accounting, Project financing, Consortium financing and Management Consultancy.
<b>Address</b>	60, Chitrakut Society -1 Laxmikant ashram road katgram, Surat city, Gujrat - 395004
<b>Occupation</b>	Business
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Appointed as an Independent Director with the effect from January 13 <sup>th</sup> , 2025
<b>Term of Appointment and date of expiration of current term of office.</b>	Appointed as an Independent Director with the effect from January 13 <sup>th</sup> , 2025, for the period of 5 years, and not liable to retire by rotation.
<b>Other Directorships</b>	Shish Industries Limited

**As on the date of the Draft Prospectus:**

- A. None of the above-mentioned Directors are on the RBI List of willful defaulters or Fraudulent Borrowers.
- B. None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, directors or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) upto the date of filling of this Draft Prospectus.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were directors of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

## RELATIONSHIP BETWEEN THE DIRECTORS

As on the date of this Draft Prospectus, none of our directors are related to each other as per section 2(77) of the Companies Act, 2013 except the following:

Name of Directors	Designation	Relation
Mr. Pravinchandra Shamjibhai Dhanani	Whole-Time director	Spouse of Mrs. Hinaben Pravinchandra Dhanani
Mrs. Hinaben Pravinchandra Dhanani	Non-Executive Director	Spouse of Mr. Pravinchandra Shamjibhai Dhanani

## ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

## SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed, however their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and Key Managerial Personnel, are entitled to any benefits upon termination of employment.

## BORROWING POWERS OF THE BOARD OF DIRECTORS

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on August 01<sup>st</sup>, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹100.00 Crores (Rupees One hundred crore only).

## BRIEF PROFILE OF OUR DIRECTORS

NAME OF THE DIRECTOR	PROFILE
Mr. Chetankumar Makanbhai Patel	Mr. Chetankumar M. Patel, aged 38, serves as our Promoter, Chairman and Managing Director, He is having 13 years of experience in the textile industry. As a Founding Promoter, he has been instrumental in shaping the company's vision since its inception and also serves as a director on the boards of Scap Tex Coat Pvt. Ltd. and Scap Specialized Material Pvt. Ltd., our group companies.
Mr. Pravinchandra Shamjibhai Dhanani	Mr. Pravinchandra Shamjibhai Dhanani, aged 57, is a Promoter and Whole-Time Director of our Company. With 13 years of experience in the textile industry, he has been associated with Scap Techno Fab Limited since its inception and is a Founding Promoter. Mr. Dhanani holds a Bachelor of Engineering degree in Instrumentation from the University of Poona. He also serves as a Director on the boards of Scap Tex Coat Private Limited and Scap Specialized Material Private Limited, our group companies. Currently, he oversees the production

NAME OF THE DIRECTOR	PROFILE
	activities of our Company.
Mr. Sureshkumar Babubhai Gajera	Mr. Sureshkumar Babubhai Gajera, aged 51, serves as a Promoter and Whole-Time Director of our Company. With 13 years of experience, he has been associated with Scap Techno Fab for the past 7 years. Mr. Gajera is also a partner in Sunrise Textile Park and Mahek Texfab Infra Park. His key responsibilities include overseeing the overall management and foreign client relations of the Company. He plays a pivotal role in implementing the Company's policies and strategies. Additionally, Mr. Gajera serves as a Director on the board of Scap Tex Coat Private Limited, a group company of Scap Techno Fab Limited.
Mrs. Hinaben Pravinchandra Dhanani	Mrs. Hinaben Dhanani, aged 54, brings 4 years of experience in the Paper and Packaging industry to our team. She holds a degree in Home Science. In 2019, she became a partner in Scap Papers and Packaging. Within Scap Techno Fab Limited, Mrs. Dhanani is responsible for managing and overseeing the welfare of our female staff members.
Mr. Rajesh Kalubhai Mepani	Mr. Rajesh Kalubhai Mepani, aged 44, possesses 7 years of experience in the packaging industry. He holds a Bachelor's degree in Law. In addition to his role with our company, Mr. Mepani serves as a Director on the boards of Shish Industries Limited, Interstar Polyfab Private Limited, and Sihora Industries Limited.
Mr. Nareshkumar Purshottambhai Lakhani	Mr. Nareshkumar Pushottambhai Lakhani, aged 51, brings 20 years of experience to our team. Previously, he worked with Shish Industries Limited. His expertise encompasses Accounting, project financing, consortium financing and management consultancy services. Mr. Nareshkumar's experience and financial knowledge will benefit the company to understand and plan co. business strategy, system & process implementation, finance, accounts, audit, corporate laws and taxation etc. in a better and effective way.

#### COMPENSATION AND BENEFITS TO THE CHAIRMAN AND MANAGING DIRECTOR AND WHOLE TIME DIRECTOR ARE AS FOLLOWS:

##### Remuneration to Chairman and Managing Director

Name	Mr. Chetankumar Makanbhai Patel
Designation	Chairman and Managing Director.
Date of Appointment	July 24 <sup>th</sup> , 2023.
Period	5 Years.
Salary	Not exceeding ₹7.00 Lakhs per month.
Bonus	-
Perquisite / Benefits	-
Compensation / Remuneration paid during the F.Y. 2023-24	₹60.00 Lakhs.

##### Remuneration to Whole-Time Directors

Name	Mr. Pravinkumar Shamjibhai Dhanani
Designation	Whole Time Director.
Date of Appointment	July 24 <sup>th</sup> , 2023.
Period	5 Years.
Salary	Not exceeding ₹7.00 Lakhs per month
Bonus	-
Perquisite / Benefits	-
Compensation / Remuneration	₹60.00 Lakhs.

paid during the F.Y. 2023-24	
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### Remuneration to Whole-Time Directors

<b>Name</b>	Mr. Sureshkumar Babubhai Gajera
<b>Designation</b>	Whole Time Director.
<b>Date of Appointment</b>	July 24 <sup>th</sup> , 2023.
<b>Period</b>	5 Years.
<b>Salary</b>	Not exceeding ₹7.00 Lakhs per month
<b>Bonus</b>	-
<b>Perquisite / Benefits</b>	-
<b>Compensation / Remuneration paid during the F.Y. 2023-24</b>	₹60.00 Lakhs.

### SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

Pursuant to Board resolution dated August 03<sup>rd</sup>, 2023, it is hereby accorded for payment of sitting fees in the following manner, to the Non-Executive Non-Independent Director and Non-Executive Independent Director of the company for attending the meetings or committee thereof attended by them until further change of consensus in this regard.

S. No.	Name of Meetings	Sitting Fees per Meeting (₹)
1.	Board of Directors	3,000
2.	Audit Committee	1,500
3.	Nomination and Remuneration Committee	1,500
4.	Stakeholder's Relationship Committee	1,500
5.	Corporate Social Responsibility Committee	1,500

Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

No sitting fees or commission was paid by our Company to any Independent Directors and to Non-Executive Director in Financial Year 2022- 2023.

### SHAREHOLDING OF DIRECTORS

The shareholding of our directors as on the date of this Draft Prospectus is as follows:

S. No.	Name of Directors	No. Equity Shares held	Category/ Status
1.	Mr. Chetankumar Makanbhai Patel	15,40,000	Chairman and Managing Director
2.	Mr. Pravinchandra Shamjibhai Dhanani	15,40,000	Whole-Time Director
3.	Mr. Sureshkumar Babubhai Gajera	15,33,000	Whole-Time Director
4.	Mrs. Hinaben Pravinchandra Dhanani	-	Non-Executive Director
5.	Mr. Rajesh Kalubhai Mepani	-	Independent Director
6.	Mr. Nareshkumar Purshottambhai Lakhani	-	Independent Director

### INTEREST OF DIRECTORS

All the non-executive directors including Independent Directors of the company may be deemed to be interested to the extent of sitting fees, payable to them for attending meetings of the Board or Committee, if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and/or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their



respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company.

Except as stated under Chapter titled “*Restated Financial Statements*” beginning on page no. 155 of the Draft Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Prospectus in which our directors are interested directly or indirectly.

#### CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of Event	Nature of Event	Reason for the Changes in the Board
Bipinkumar Virjibhai Hirpara	January 21 <sup>st</sup> , 2025	Cessation	Resigned as an Independent Directors.
Nareshkumar Purshottambhai Lakhani	January 13 <sup>th</sup> , 2025	Appointment	Appointment as an Independent Director
Chetankumar Makanbhai Patel	July 25 <sup>th</sup> , 2023	Revision of Terms & conditions of appointment	Revision of terms & conditions of appointment as Managing Director (appointment effective from July 25 <sup>th</sup> , 2023 for 5 years).
Pravinchandra Shamjibhai Dhanani	July 25 <sup>th</sup> , 2023	Revision of Terms & conditions of appointment	Revision of terms & conditions of appointment as Whole Time Director (appointment effective from July 25 <sup>th</sup> , 2023 for 5 years).
Sureshkumar Babubhai Gajera	July 25 <sup>th</sup> , 2023	Revision of Terms & conditions of appointment	Revision of terms & conditions of appointment as Whole Time Director (appointment effective from July 25 <sup>th</sup> , 2023 for 5 years).
Dhansukhbhai Nanjibhai Kakadiya	July 25 <sup>th</sup> , 2023	Appointment	Appointment as Chief Financial Officer (CFO) of the Company.
Ashwinbhai Damjibhai Boda	July 25 <sup>th</sup> , 2023	Appointment	Appointment as Chief Executive Officer (CEO) of the Company.
Hinaben Pravinchandra Dhanani	August 01 <sup>st</sup> , 2023	Appointment	Appointment as Non-executive Director.
Rajesh Kalubhai Mepani	August 01 <sup>st</sup> , 2023	Appointment	Appointment as an Independent Director.
Bipinkumar Virjibhai Hirpara	August 01 <sup>st</sup> , 2023	Appointment	Appointment as an Independent Directors.
Dhansukhbhai Nanjibhai Kakadiya	July 25 <sup>th</sup> 2023	Cessation	Resigned as Whole time Director of the Company.
Ashwinbhai Damjibhai Boda	July 25 <sup>th</sup> 2023	Cessation	Resigned as Whole time Director of the Company.

#### CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

## COMPOSITION OF BOARD OF DIRECTORS

Currently our Company currently has 6 (Six) directors on our Board out of which 3 (Three) are Executive Directors ,1 (One) is Non- Executive Director and 2 (Two) are Independent Directors.

Composition of Board of Directors is set forth in the below mentioned table:

S. No.	Name of Directors	Designation	Status	DIN
1.	Mr. Chetankumar Makanbhai Patel	Chairman and Managing Director	Executive Director	05105124
2.	Mr. Pravinchandra Shamjibhai Dhanani	Whole-Time Director	Executive Director	03595321
3.	Mr. Sureshkumar Babubhai Gajera	Whole-Time Director	Executive Director	03627136
4.	Mrs. Hinaben Pravinchandra Dhanani	Non-Executive Director	Non-Executive Director	10253029
5.	Mr. Rajesh Kalubhai Mepani	Independent Director	Non-Executive Director	07841263
6.	Mr. Nareshkumar Purshottambhai Lakhani	Independent Director	Non-Executive Director	09023300

## CONSTITUTION OF COMMITTEES

**Our company has constituted the following Committees of the Board;**

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee; and
4. Corporate Social Responsibility Committee.

**Details of composition, terms of reference etc. of each of the above committees are provided hereunder:**

### 1. Audit Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on January 22<sup>nd</sup>, 2025, constituted Audit Committee.

The constitution of the Audit Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Rajesh Kalubhai Mepani	Chairman	Non Executive Independent Director
Mr. Nareshkumar Purshottambhai Lakhani	Member	Non Executive Independent Director
Mr. Chetankumar Makanbhai Patel	Member	Chairman and Managing Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### Terms of Reference

**The Role of Audit Committee not limited to but includes: -**

- i. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;

- ii. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- iii. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval, particularly with respect to;
  - a. Changes, if any, in accounting policies and practices and reasons for the same,
  - b. Major accounting entries involving estimates based on the exercise of judgment by management,
  - c. Significant adjustments made in the financial statements arising out of audit findings,
  - d. Compliance with listing and other legal requirements relating to financial statements,
  - e. Disclosure of any related party transactions,
  - f. Modified opinion(s) / Qualifications in the draft audit report.
- iv. Approval or any subsequent modification of transactions of the Company with related party, subject following conditions;
  - The Audit Committee may make omnibus approval for related party transactions proposed to be entered in to by the Company subject to such conditions provided under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;
  - In case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;
  - In case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;
- v. Reviewing, with the management, and monitoring 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, and making appropriate recommendations to the Board to take up steps in this matter;
- vi. Scrutiny of Inter-corporate loans and investments;
- vii. Reviewing and discussing 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;
- viii. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- ix. Valuation of undertakings or assets of the company, where ever it is necessary;
- x. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
- xi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xii. To monitor the end use of fund invested or given by the Company to Subsidiary Companies; and
- xiii. Carrying out any other function as assigned by the Board of Directors from time to time.

### **Review of Information**

- i. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. The appointment, removal and terms of remuneration of the Internal Auditor.
- v. Quarterly / half yearly statement of deviation(s), if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
- vi. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus.

### **Powers of Committee**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- v. Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- vi. To investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

## Quorum and Meetings

The Audit Committee shall meet as and when required to discuss and approve the items included in its role but not less than four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

### 2. Stakeholders Relationship Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on January 22<sup>nd</sup>, 2025, constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Nareshkumar Purshottambhai Lakhani	Chairman	Independent Director
Mr. Rajesh Kalubhai Mepani	Member	Independent Director
Mr. Chetankumar Makanbhai Patel	Member	Chairman and Managing Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### Terms of Reference

#### To supervise and ensure:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- Issue duplicate/split/consolidated share certificates;
- Dematerialization/Rematerialization of Share;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; Provided that inability to resolve or consider any grievance by the Stakeholders Relationship Committee in good faith shall not constitute a contravention of Section 178 of Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof.
- Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

## Quorum and Meetings

The Stakeholders Relationship Committee shall meet at least once in a financial year. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher, subject to minimum one Independent Director.

### 3. Nomination and Remuneration Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on January 22<sup>nd</sup>, 2025, constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Nareshkumar Purshottambhai Lakhani	Chairman	Independent Director
Mr. Rajesh Kalubhai Mepani	Member	Independent Director

Name of the Directors	Designation	Nature of Directorship
Mrs. Hinaben Pravinchandra Dhanani	Member	Non-Executive Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

#### Terms of reference

Role of Nomination and Remuneration Committee not limited to but includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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 and shall carry out evaluation of every director's performance.
- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

#### Quorum and Meetings

The Committee is required to meet at least once a financial year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher, subject to minimum one Independent Director shall be present at the meeting.

#### 4. Corporate Social Responsibility Committee

The Board of Directors of our Company has, in pursuance to provisions of Section 135 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on January 22<sup>nd</sup>, 2025, constituted Corporate Social Responsibility Committee.

The constitution of the Corporate Social Responsibility Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Chetankumar Makanbhai Patel	Chairman	Chairman and Managing Director
Mr. Pravinchandra Shamjibhai Dhanani	Member	Whole Time Director
Mr. Nareshkumar Purshottambhai Lakhani	Member	Independent Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

#### Terms of reference

Role of Corporate Social Responsibility Committee not limited to but includes:

- Formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by our Company;
- Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

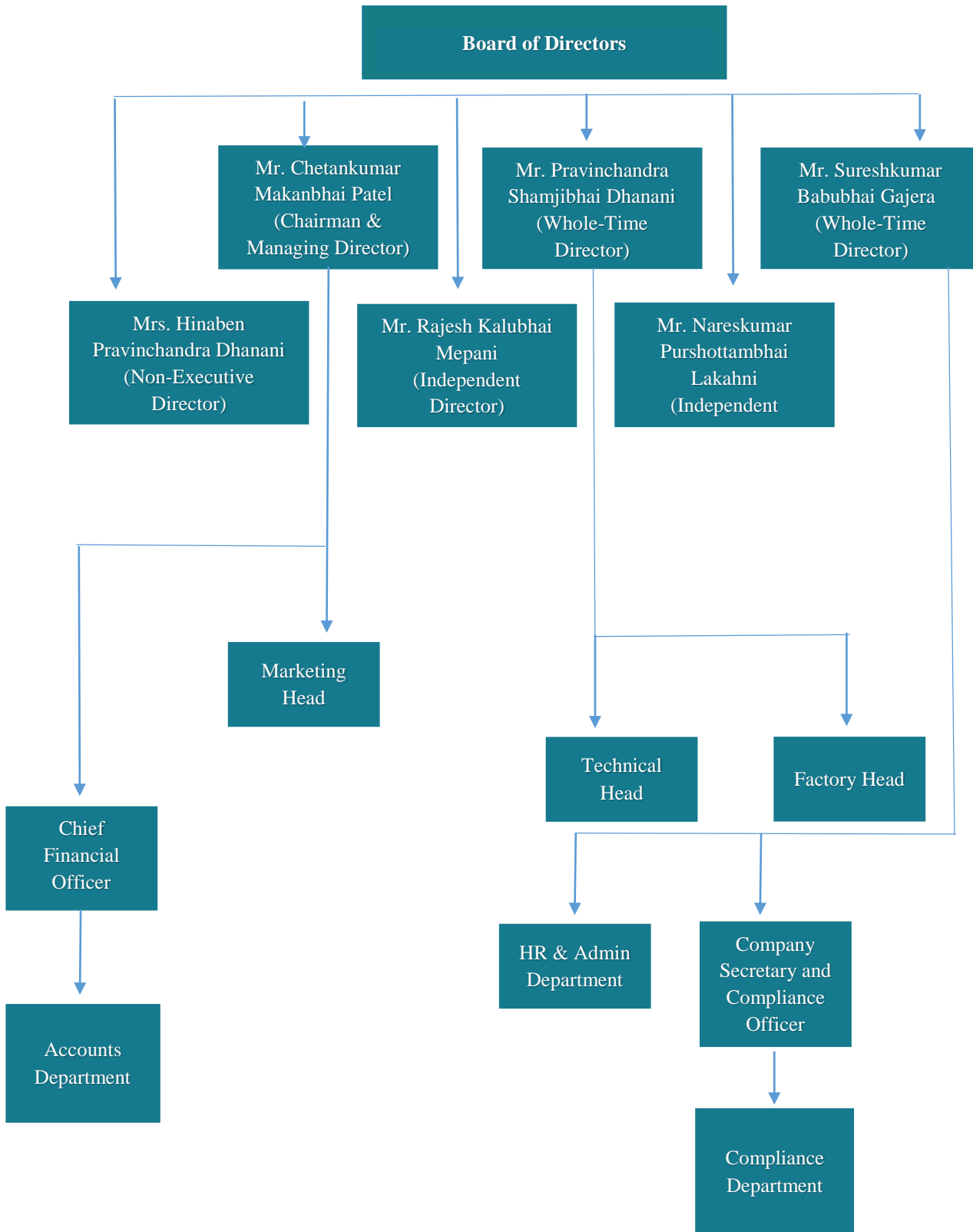
- v. Review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- vi. Assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;
- vii. Providing explanation to the Board if our Company fails to spend the prescribed amount within the financial year;
- viii. Providing updates to our Board at regular intervals of 6 months on the corporate social responsibility activities;
- ix. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
- x. Exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

### **Quorum and Meetings**

The Committee is required to meet at least once a year. The quorum necessary for a meeting of the Corporate Social Responsibility Committee is one third of total members of the Corporate Social Responsibility Committee or 2 members, whichever is higher.

## MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company is depicted from the following chart:





## OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (Rs. in Lakhs)
<b>Name</b>	Mr. Ashwinbhai Damjibhai Boda	-*	Patel Textile Partnership firm.	60.00
<b>Designation</b>	Chief Executive Officer			
<b>Date of Appointment</b>	July 25 <sup>th</sup> , 2023			
<b>Overall Experience</b>	He has 13 years of association with Scap Techno Fab Limited since incorporation.			
<b>Name</b>	Mr. Dhansukhbhai Nanjibhai Kakadiya	Bachelor of Engineering in Electronics	DHV Bags Partnership Firm	60.00
<b>Designation</b>	Chief Financial Officer			
<b>Date of Appointment</b>	July 25 <sup>th</sup> , 2023			
<b>Overall Experience</b>	He has 7 years of association with Scap Techno Fab Limited. He is having rich experience of Overall 12 years in the field of Textile Industries, specifically in Non-Woven Fabrics.			
<b>Name</b>	Jayshree Jagdish Prasad Mundhra.	Company Secretary	Yash Biofuels Private Limited	Nil
<b>Designation</b>	Company Secretary and Compliance Officer			
<b>Date of Appointment</b>	June 01 <sup>st</sup> , 2024			
<b>Overall Experience</b>	She has overall 4 years of experience.			

*\*As per the undertaking from the promoter, we cannot provide the education qualification of the promoter, as the education qualification proofs are misplaced. But the fact is that the promoter is having vast experience of the Industry.*

## BONUS OR PROFIT-SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Currently, Our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel. In future, discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee / Board of Directors, depending upon the performance of the Key Managerial Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

## CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Draft Prospectus, otherwise than by way of retirement in due course.

Name of Key Managerial Personnel	Date of Event	Nature of Event	Reason for the Changes
Mr. Chetankumar Makanbhai Patel	March 19 <sup>th</sup> , 2022*	Re-appointed as Whole Time Director	Reappointed as Whole Time Director w.e.f. March 19 <sup>th</sup> , 2022.
Mr. Sureshkumar Babubhai Gajera	March 19 <sup>th</sup> , 2022*	Re-appointed as Whole Time Director	Reappointed as Whole Time Director w.e.f. March 19 <sup>th</sup> , 2022.
Mr. Pravinchandra Shamjibhai Dhanani	March 19 <sup>th</sup> , 2022*	Re-appointed as Whole Time Director	Reappointed as Whole Time Director w.e.f. March 19 <sup>th</sup> , 2022.
Mr. Ashwinbhai Damjibhai Boda	March 19 <sup>th</sup> , 2022*	Re-appointed as Whole Time Director	Reappointed as Whole Time Director w.e.f. March 19 <sup>th</sup> , 2022.
Mr. Dhansukhbhai Nanjibhai Kakadiya	March 19 <sup>th</sup> , 2022*	Re-appointed as Whole Time Director	Reappointed as Whole Time Director w.e.f. March 19 <sup>th</sup> , 2022.

Name of Key Managerial Personnel	Date of Event	Nature of Event	Reason for the Changes
Mr. Chetankumar Makanbhai Patel	July 24 <sup>th</sup> , 2023	Revision of terms and conditions of appointment and remuneration	Revision of the terms and conditions of appointment and remuneration as a Managing Director of the Company, w.e.f. July 25 <sup>th</sup> , 2023.
Mr. Sureshkumar Babubhai Gajera	July 24 <sup>th</sup> , 2023	Revision of terms and conditions of appointment and remuneration	Revision of the terms and conditions of appointment and remuneration as a Whole Time Director of the Company, w.e.f. July 25 <sup>th</sup> , 2023.
Mr. Pravinchandra Shamjibhai Dhanani	July 24 <sup>th</sup> , 2023	Revision of terms and conditions of appointment and remuneration	Revision of the terms and conditions of appointment and remuneration as a Whole Time Director of the Company, w.e.f. July 25 <sup>th</sup> , 2023.
Mr. Chetankumar Makanbhai Patel	October 28 <sup>th</sup> , 2022	Re-Designated as Managing Director	Re-Designate as Managing Director of the Company.
Mr. Ashwinbhai Damjibhai Boda	July 24 <sup>th</sup> , 2023	Resignation	Resigned from the post of Whole-Time Director w.e.f. July 25 <sup>th</sup> , 2023.
Mr. Dhansukhbhai Nanjibhai Kakadiya	July 24 <sup>th</sup> , 2023	Resignation	Resigned from the post of Whole-Time Director w.e.f. July 25 <sup>th</sup> , 2023.
Mr. Ashwinbhai Damjibhai Boda	July 24 <sup>th</sup> , 2023	Appointment of Chief Executive Officer	Appointed as Chief Executive officer w.e.f. July 25 <sup>th</sup> , 2023.
Mr. Dhansukhbhai Nanjibhai Kakadiya	July 24 <sup>th</sup> , 2023	Appointment of Chief Financial Officer	Appointed as Chief Financial officer w.e.f. July 25 <sup>th</sup> , 2023.
Ms. Jayshree Jagdish Prasad	June 01 <sup>st</sup> , 2024	Appointment of Company Secretary and Compliance officer	Appointed as Company Secretary and Compliance Officer w.e.f. June 01 <sup>st</sup> , 2024.

#### EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of Draft Prospectus, our company does not have any ESOP Scheme for its employees.

#### RELATIONSHIP BETWEEN KEY MANAGEMENT PERSONNEL

There is no relationship between Key Management Personnel as on date of filling Draft Prospectus.

#### PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

#### Notes:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel have been recruited.
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.

None of our Key Managerial Personnel has entered into any service contracts with our company except acting in their Individual Capacity as Chairman and Managing Director or Whole-Time Directors and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. Further, our Company has appointed certain Key Managerial Personnel i.e. Chief Executive Officer, Chief Financial Officer, Company Secretary and Compliance officer for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

## SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Draft Prospectus.

S. No.	Name of Key Management Personnel	No. Equity Shares held	Category/ Status
1.	Mr. Chetankumar Makanbhai Patel	15,40,000	Chairman and Managing Director
2.	Mr. Ashwinbhai Damjibhai Boda	15,33,000	Chief Executive Officer
3.	Mr. Dhansukhbhai Nanjibhai Kakadiya	8,33,000	Chief Financial Officer

## OUR PROMOTERS AND PROMOTERS GROUP



### Promoters of our Company are;


1. Mr. Chetankumar Makanbhai Patel;
2. Mr. Pravinchandra Shamjibhai Dhanani;
3. Mr. Sureshkumar Babubhai Gajera;
4. Mr. Ashwinbhai Damjibhai Boda;
5. Mr. Dhansukhbhai Nanjibhai Kakadiya.


For details of the Capital build-up of our Promoters in our Company, see chapter titled “*Capital Structure*” beginning on page no. 48 of this Draft Prospectus.

The details of our Promoters are as follows:


### INDIVIDUAL PROMOTERS

	<b>MR. CHETANKUMAR MAKANBHAI PATEL</b>
	Mr. Chetankumar M. Patel, aged 38, serves as our Promoter, Chairman and Managing Director, He is having 13 years of experience in the textile industry. As a Founding Promoter, he has been instrumental in shaping the company's vision since its inception and also serves as a director on the boards of Scap Tex Coat Pvt. Ltd. and Scap Specialized Material Pvt. Ltd., our group companies.
<b>Date of Birth</b>	September 19 <sup>th</sup> , 1986.
<b>Age</b>	38 Years.
<b>PAN</b>	AMSPP5717F
<b>Educational Qualification</b>	Eleventh Standard.
<b>Present Residential Address</b>	Varachha Road, A-5, Vishveshwar Society, Surat, Gujarat-395006.
<b>Directorship held</b>	1. Scap Tex Coat Private Limited; 2. Scap Specialized Material Private Limited.
<b>Other Ventures</b>	Patel Textiles – Partnership Firm (PAN: AAGFP0763M).
	<b>MR. PRAVINCHANDRA SHAMJIBHAI DHANANI</b>
	Mr. Pravinchandra Shamjibhai Dhanani, aged 57, is a Promoter and Whole-Time Director of our Company. With 13 years of experience in the textile industry, he has been associated with Scap Techno Fab Limited since its inception and is a Founding Promoter. Mr. Dhanani holds a Bachelor of Engineering degree in Instrumentation from the University of Poona. He also serves as a Director on the boards of Scap Tex Coat Private Limited and Scap Specialized Material Private Limited, our group companies. Currently, he oversees the production activities of our Company.
<b>Date of Birth</b>	March 26 <sup>th</sup> , 1967.
<b>Age</b>	57 Years.
<b>PAN</b>	AAVPD8998B.
<b>Educational Qualification</b>	Bachelor of Engineering in (Instrumentation).
<b>Present Residential Address</b>	34, Shanti Palace Society, Behind Navyug College, Rander Road, Choryasi, Surat – 395009, Gujarat, India.
<b>Directorship held</b>	1. Scap Tex Coat Private Limited; 2. Scap Specialized Material Private Limited.
<b>Other Ventures</b>	Patel Textiles – Partnership Firm.

<b>MR. SURESHKUMAR BABUBHAI GAJERA</b>	
	<p>Mr. Sureshkumar Babubhai Gajera, aged 51, serves as a Promoter and Whole-Time Director of our Company. With 13 years of experience, he has been associated with Scap Techno Fab for the past 7 years. Mr. Gajera is also a partner in Sunrise Textile Park and Mahek Texfab Infra Park. His key responsibilities include overseeing the overall management and foreign client relations of the Company. He plays a pivotal role in implementing the Company's policies and strategies. Additionally, Mr. Gajera serves as a Director on the board of Scap Tex Coat Private Limited, a group company of Scap Techno Fab Limited.</p>
<b>Date of Birth</b>	March 15 <sup>th</sup> , 1973.
<b>Age</b>	51 Years.
<b>PAN</b>	ABRPP4508J.
<b>Educational Qualification</b>	Higher Secondary Education.
<b>Experience in Business / Employment</b>	He is having rich experience of more than 20 years in the field of Textile Industries.
<b>Present Residential Address</b>	18, Shantiniketan Society, Sumul Dairy Road, Katargam, Surat – 395004, Gujarat, India.
<b>Directorship held</b>	1. Scap Tex Coat Private Limited;
<b>Other Ventures</b>	1. Mahek Texfab Infra Park – Partnership Firm; 2. Sunrise Textile Park- Partnership Firm.

<b>MR. ASHWINBHAI DAMJIBHAI BODA</b>	
	<p>Mr. Ashwinbhai Damjibhai Boda, aged 51, serves as Promoter and Chief Executive Officer of our Company. As a Founding Promoter with 13 years of association, he oversees our production unit in Pipodara, Surat. Mr. Boda plays a pivotal role in identifying emerging technologies in technical textile non-wovens and driving continuous quality improvements in our products.</p>
<b>Date of Birth</b>	April 02 <sup>nd</sup> , 1973.
<b>Age</b>	51 Years.
<b>PAN</b>	ACLPB6742R.
<b>Educational Qualification</b>	-*
<b>Present Residential Address</b>	A 1/403, Subham Residency, Opp. Natvar Nagar, Nana Varachha, Surat – 395006, Gujarat, India.
<b>Directorship held</b>	1. Scap Tex Coat Private Limited; 2. Scap Specialized Material Private Limited.
<b>Other Ventures</b>	1. Patel Textiles – Partnership Firm (PAN: AAGFP0763M); 2. M/s Scap Warehouse – Partnersip Firm (PAN: AFMFS8766C)

*\*As per the undertaking from the promoter, we cannot provide the education qualification of the promoter, as the education qualification proofs are misplaced. But the fact is that the promoter is having vast experience of the Industry.*

	<b>MR. DHANSUKHBHAI NANJIBHAI KAKADIYA</b>
	<p>Mr. Dhansukhbhai Nanjibhai Kakadiya, aged 56, serves as Promoter and Chief Financial Officer of our Company. He holds a Bachelor of Engineering degree in Electronics (1991). With 12 years of experience, including 7 years with Scap Techno Fab Limited, he brings expertise in textile industries, specifically non-woven fabrics. Mr. Kakadiya oversees the Finance Department, General Administration, and Stakeholder Relationships.</p>
<b>Date of Birth</b>	December 10 <sup>th</sup> , 1968.
<b>Age</b>	56 Years.
<b>PAN</b>	ABQPK7819L.
<b>Educational Qualification</b>	Bachelor of Engineering in Electronics.
<b>Present Residential Address</b>	B-303/304, Krishna Town Ship, Satelight Road, Mota Varachha, Surat – 394101, Gujarat, India.
<b>Directorship held</b>	1. Scap Tex Coat Private Limited; 2. Scap Specialized Material Private Limited.
<b>Other Ventures</b>	-

## DECLARATION

We declare and confirm that the details of the Aadhar Number, Driving License, Permanent Account Numbers, Bank Account Numbers and Passport Numbers of our Promoters are being submitted to the NSE, stock exchange on which the specified securities are proposed to be listed along with filing of this Draft Prospectus with the Stock Exchange.

## CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST FIVE YEARS

There has been no change in the control or management of our Company in last five years immediately preceding the date of this Draft Prospectus.

## INTEREST OF OUR PROMOTERS

- Except as stated under Chapter titled “*Restated Financial Statements*” beginning on page no. 155 of the Draft Prospectus and to the extent of compensation, remuneration/ sitting fees to be paid, perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointment and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoters do not have any other interest in our business.
- Further, our Promoters may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, under Chapter titled “*Restated Financial Statements*” beginning on page no. 155 of this Draft Prospectus.
- Except as disclosed in “*Business Overview*” under section titled “Details of Immovable Property” beginning on page no. 104 of this Draft Prospectus. Our Promoters, Directors or Group Companies do not have any interest in any property acquired by our Company in the preceding three years before filing this Draft Prospectus. Further, they do not have any interest in any property to be acquired by our Company till the date of this Draft Prospectus.
- Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.
- Except as otherwise as stated in this Draft Prospectus, we have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Draft Prospectus in which promoters is directly or indirectly interested.



## PAYMENT OF BENEFITS TO OUR PROMOTERS

Except as stated under Chapter titled “*Restated Financial Statements*” beginning on page no. 155 of this Draft Prospectus, there has been no payment of benefits made to our Promoters in the two years preceding the filing of this Draft Prospectus. Further, our Company may enter into transaction with or make payment of benefit to the Promoters Directors or Promoters’ Group, towards remunerations as decided by Board of Director.

## CONFIRMATIONS

1. Our Company and Promoters confirmed that they have not been declared as willful defaulters or Fraudulent Borrowers or by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.
2. Further, our Promoters, promoters’ group or directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.
3. Additionally, our Promoters, promoters’ group or directors do not have direct or indirect relation with the companies, its promoters and whole-time director, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.
4. Our Promoters has not been declared as fugitive economic offenders under the provisions of Section 12 of the Fugitive Economic Offenders Act, 2018.

### We and Our Promoters, Group Entities, and Companies promoted by the Promoters confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title “*Outstanding Litigation and Material Developments*” appearing on page no. 175 of this Draft Prospectus.

## DISASSOCIATION OF PROMOTERS IN THE LAST THREE YEARS:

None of our Promoters have disassociated themselves from any Company or Firm during the preceding three years.

## RELATIONSHIP OF PROMOTERS WITH EACH OTHER AND WITH OUR DIRECTORS

There is no relationship between Promoters of our Company with other Directors except as described below:

Name of Director	Designation	Relation
Mr. Pravinchandra Shamjibhai Dhanani	Whole-time Director	Spouse of Mrs. Hinaben Pravinchandra Dhanani.
Mrs. Hinaben Pravinchandra Dhanani	Non-executive Director	Spouse of Mr. Pravinchandra Shamjibhai Dhanani.

## OUR PROMOTERS GROUP

In addition to our Promoters named above, the following individuals and entities form a part of the Promoters’ Group:

### A. Natural persons who are part of our Individual Promoter Group:

Relationship With Promoter	Sureshbhai Babubhai Gajera	Chetan Makanbhai Patel	Ashwinbhai Damjibhai Boda	Pravinchnadra Shamjibhai Dhanani	Dhansukhbhai Nnanjibhai Kakadiya
<b>Father</b>	Babubhai Nagjibhai Gajera	Makanbhai Govindbhai Patel	Late. Damjibhai Mavjibhai Boda	Shamjibhai Kanjibhai Dhanani	Late. Nanjibhai Gopalbhai Kakadiya



Relationship With Promoter	Sureshbhai Babubhai Gajera	Chetan Makanbhai Patel	Ashwinbhai Damjibhai Boda	Pravinchnadra Shamjibhai Dhanani	Dhansukhbhai Nnanjibhai Kakadiya
<b>Mother</b>	Kantaben Babubhai Gajera	Manjuben Makanbhai Gambhava	Ranguben Boda	Late. Manekben Shamjibhai Dhanani	Kantaben Nanjibhai Kakadiya
<b>Brother</b>	i) Rajesh Babubhai Gajera ii) Hiteshkumar Babubhai Gajera	-	i) Mukeshbhai Boda ii) Kantibhai Damjibhai Boda	Pankanjbhai Shamjibhai Dhanani	i) Hasmukhbhai Nanjibhai Kakadiya ii) Vinubhai Nanjibhai Kakadiya
<b>Sister</b>	-	Rinaben Birenkumar Hinsu	-	Shilpaben Sanjaykumar Zadafia	Kailash Bharatbhai Gajera
<b>Spouse</b>	Truptiben Suresh Gajera	Alka Chetan Patel	Ilaben Ashwinbhai Patel	Hinaben Pravinchnadra Dhanani	Manishaben Dhansukhbhai Kakadiya
<b>Son</b>	i) Himanshu Sureshbhai Gajera ii) Hitanshu Sureshbhai Gajera	i) Panth Chetan Patel ii) Arsh Chetan Patel	Prince Ashwinbhai Boda	-	Rajesh Dhansukhbhai Kakadiya
<b>Daughter</b>	-	-	-	Disha Pravinchnadra Dhanani	i) Khushbu Chirag Dayala ii) Poonam Vishal Ranpariya
<b>Spouse's Father</b>	Nanubhai Dudabhai Harkhani	Vinod Hansrajbhai Nandasana	Late. Vithalbhai Mavjibhai Javia	Late. Manjibhai Dhanjibhai Sitapara	Late. Labhubhai Haribhai Gadhiya
<b>Spouse's Mother</b>	Vimlaben Nanubhai Harkhani	Minakshiben Vinodkumar Nandasana	Late. Shantaben Vithalbhai Javia	Late. Motiben Manjibhai Sitapara	Vilasben Labhubhai Gadhiya
<b>Spouse's Brother</b>	Mrugank Nanubhai Harkhani	Pintu Vinodbhai Nandasana	Mukeshbhai Vithalbhai Javia	Bharatkumar Manjibhai Patel	i) Late. Sandipbhai Labhubhai Gadhiya ii) Dipakbhai Labhubhai Gadhiya
<b>Spouse's Sister</b>	i) Archana Hiteshkumar Gajera ii) Daxaben Vipulbhai Mangroliya iii) Jagrutiben Rajnibhai Dhami	-	i) Kusumben Mansukhbhai Panara ii) Urmilaben Kantibhai Vachhani iii) Nitaben Bipinbhai Makati	Bhavna Arvindbhai Malavia	-

Relationship With Promoter	Sureshbhai Babubhai Gajera	Chetan Makanbhai Patel	Ashwinbhai Damjibhai Boda	Pravinchnadra Shamjibhai Dhanani	Dhansukhbhai Nnanjibhai Kakadiya
			iv) Geetaben Amrutlal Sinojiya  v) Late. Kanchanben Vithalbhai Javia		

**B. Companies related to our Promoter Company: NOT APPLICABLE**

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company.	Not Applicable
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	Not Applicable

**C. Companies, Proprietary concerns, HUF's related to our promoters:**

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	1. Scap Tex Coat Private Limited; 2. Scap Specialized Material Private Limited.
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	Not Applicable.
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoters and his immediate relatives is equal to or more than twenty percent.	1. Patel Textiles; 2. Mahek Texfab Infra Park – Partnership Firm 3. DHV Bags Partnership Deed; 4. M/s Scap Warehouse (Partnership Firm); 5. Ashwinbhai Dhamjibhai Boda (HUF); 6. Chetan MakanBhai Patel (HUF); 7. Dhanani Pravin ShamjiBhai (HUF); 8. SureshBhai Babubhai Patel (HUF); 9. Babubhai Nagjibhai Patel (HUF); 10. Rajesh Babubhai Gajera (HUF); 11. Hitesh Babubhai Gajera (HUF); 12. Nanubhai D Harkhani (HUF); 13. Mrugankumar D Harkhani (HUF); 14. Mukeshbhai Damjibhai Boda (HUF); 15. Kantibhai Damjibhai Boda (HUF); 16. Dhanani Pankajbhai Shamjibhai (HUF); 17. Dipakbhai Labhubhai Gadhiya (HUF).

**D. Following persons whose shareholding is aggregated under the heading “Shareholding of the Promoter Group”:**

S. No.	Names
1.	Princekumar Ashwinbhai Boda.
2.	Rajesh Dhansukhbhai Kakadiya.
3.	Himanshu Sureshbhai Gajera.

For further details on our “Group Entities” refer Chapter titled “*Information with Respect to Group Companies/Entities*” beginning on page no. 183 of this Draft Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Article of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

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.

For details of risks in relation to our capability to pay dividend, see "*Risk Factors* - Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid/ declared any dividend in last three years from date of this Draft Prospectus.



**SECTION IX – FINANCIAL INFORMATION OF OUR COMPANY**

**RESTATED FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Page No.</b>
Restated Financial Statement	F-1 to F-18

**Independent Auditor’s Examination Report on Restated Standalone Financial Information of  
Scap Techno Fab Limited**

To,  
The Board of Directors  
**Scap Techno Fab Limited**

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of **Scap Techno Fab Limited** (the “**Company**”) comprising the Restated Standalone Statement of Assets and Liabilities as at September 30 2024, March 31 2024, 2023 and 2022, the Restated Standalone Statements of Profit and Loss and the Restated Standalone Cash Flow Statement for the years ended September 30 2024, March 31 2024, 2023 and 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as, the “**Restated Standalone Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on 05/12/2024 for the purpose of inclusion in the Draft Prospectus/ Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) on *Emerge Platform of National Stock Exchange of India Limited (“NSE”)*.

These restated Summary Statement have been prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “**Act**”)
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”); and
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Standalone Financial Information for the purpose of inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Ahmedabad and the Stock Exchange in connection with the proposed IPO. The Restated Standalone Financial Information has been prepared by the management of the Company on the basis of preparation stated in **Annexure 4** to the Restated Standalone Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone 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.
3. We have examined such Restated Standalone Financial Information taking into consideration:
    - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 08, 2023 in connection with the proposed IPO of equity shares of **Scap Techno Fab Limited** (the “**Issuer Company**”) on Emerge platform of NSE;
    - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
    - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information; and
    - d. 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.
4. These Restated Standalone Financial Information have been compiled by the management from:
    - a. Unaudited Standalone Financial Statements of the Company for the year ended on September 30, 2024 prepared in accordance with Accounting Standard as prescribed under section 133 of the Act and other accounting principles generally accepted in India
    - b. Audited Standalone Financial Statements of the Company for the year ended on March 31, 2024 prepared in accordance with Accounting Standard as prescribed under section 133 of the Act and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on June 19, 2024.
    - c. Audited Standalone Financial Statements of the Company for the years ended on March 31, 2023 and 2022, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with

Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 25, 2023 and July 31, 2022 respectively.

5. For the purpose of our examination, we have relied on:
- Auditors' Report issued by the Previous Auditors dated 19 June, 2024, 25 August, 2023 and July 31, 2022 on the standalone financial statements of the Company as at and for the years ended March 31, 2024, 2023 and 2022 respectively as referred in Paragraph 4(b) above.

The Audit for the financial years ended March 31, 2024, 2023 and 2022 were conducted by the Company's previous auditors M/s. **Ashwin Parekh & Co**, Chartered Accountants ("**the Previous Auditor**"). The Previous auditor is not in the position to examine the Restated Standalone Statement of Assets and Liabilities and the Restated Standalone Statements of Profit and Loss and Cash flow Statements, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the Audited Standalone Financial Information). We have performed adequate procedures to restate the Financial Information for the said years. The Examination Report included for the said years is based solely on the report submitted by the Previous Auditor.

- There were no qualifications in the Audit Reports issued by us and by previous auditor as at and for the years ended on March 31, 2024, 2023 and 2022 which would require adjustments in this Restated Standalone Financial Information of the Company.
- Based on our examination and according to the information and explanations given to us, we report that:
  - The Restated Standalone Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - The Restated Standalone Summary Statements do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 6 above.
  - The Restated Standalone Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
  - The Restated Standalone Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;
  - Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - There was no change in accounting policies, which need to be adjusted in the Restated Standalone Summary Statement. The details of Prior period Adjustments are given in Annexure 5 of the Restated Standalone Financial Statements.
  - From Financial Years 2021-22 to 30<sup>th</sup> September, 2024, i.e., the period covered in the restatement, the Company has not declared and paid any dividend.
- We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the years ended on March 31, 2024, 2023 and 2022 proposed to be included in the Draft Prospectus / Prospectus.

<b>Annexure No.</b>	<b>Particulars</b>
1	Financial Statement of Assets & Liabilities as Restated
2	Financial Statement of Profit & Loss as Restated
3	Financial Statement of Cash Flow as Restated
4	Significant Accounting Policy and Notes to the Restated Standalone Summary Statements
5	Adjustments made in Restated Standalone Financial Statements / Regrouping Notes
6	Statement of Share Capital as restated
7	Statement of Reserves & Surplus as Restated
8	Statement of Long-Term Borrowings as Restated
9	Statement of Long-Term Provisions as Restated
10	Statement of Short-Term Borrowings as Restated
11	Statement of Trade Payable as Restated
12	Statement of Other Current Liabilities as Restated
13	Statement of Short-Term Provisions as Restated

14	Statement of Property, Plant & Equipment and Depreciation as Restated
15	Statement of Non-Current Investments as Restated
16	Statement of Deferred Tax Assets (Net) as Restated
17	Statement of Long-Term Loans and Advances as Restated
18	Statement of Other Non-Current Assets as Restated
19	Statement of Trade Receivables as Restated
20	Statement of Cash & Bank Balances as Restated
21	Statement of Other Current Assets as Restated
22	Statement of Revenue from Operations as Restated
23	Statement of Other Income as Restated
24	Statement of Employees Benefit Expenses as Restated
25	Statement of Other Direct Expenses as Restated
26	Statement of Finance Costs as restated
27	Statement of Depreciation & Amortisation Expenses as Restated
28	Statement of Other Expenses as Restated
29	Statement of Summary of Accounting Ratios as Restated
30	Statement of Related Parties Transaction as Restated
31	Statement of Employee Benefit Expense - Gratuity as Restated
32	Statement of Contingent Liability as Restated
33	Additional Disclosures with respect to Amendments to Schedule III as Restated
34	Statement of Capitalisation Statement as Restated

9. We, M/s. **K P C M & Co**, Chartered Accountants 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.
10. The Restated Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Standalone Financial Statements and Audited Standalone Financial Statements mentioned in paragraph 5 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Ahmedabad in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For, K P C M & Co**  
**Chartered Accountants**  
**Reg.No: 117390W**  
**Peer Review Certificate No: 015621**

**Kanaiya Asawa**  
**Partner**  
**Mem No: 103498**  
**UDIN: 24103498BKFIOQ3354**

**Place: Surat**  
**Date: 05/12/2024**



**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

PARTICULARS	NOTES	As At	As At	As At	As At
		30-09-2024	31-03-2024	31-03-2023	31-03-2022
		INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs
<b>I. EQUITY AND LIABILITIES</b>					
<b>(I) SHAREHOLDERS' FUND :</b>					
(a) Share Capital	3	700.00	700.00	700.00	100.00
(b) Reserve and Surplus	4	849.75	714.52	474.95	1,307.88
		1,549.75	1,414.52	1,174.95	1,407.88
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT :</b>					
			-	-	-
<b>(3) NON-CURRENT LIABILITIES :</b>					
(a) Long Term Borrowings	5	420.83	1,000.87	1,397.01	2,038.32
(b) Deferred Tax Liabilities (Net)		-	-	-	-
(c) Other Long Term Liabilities		-	-	-	-
(d) Long Term Provisions	6	64.48	56.75	33.25	45.62
<b>TOTAL NON-CURRENT LIABILITIES</b>		485.32	1,057.63	1,430.26	2,083.94
<b>(4) CURRENT LIABILITIES</b>					
(a) Short Term Borrowings	7	154.90	243.67	371.33	902.23
(b) Trade Payables					
(i) Outstanding dues of micro & small enterprises	8	-	-	-	-
(ii) Outstanding dues other than micro & small enterprises	8	821.18	20.37	27.37	151.50
(c) Other Current Liabilities	9	351.02	61.47	136.75	157.62
(d) Short Term Provisions	10	45.96	51.71	0.72	83.27
<b>TOTAL CURRENT LIABILITIES</b>		1,373.06	377.22	536.18	1,294.62
<b>TOTAL CONTRIBUTION AND LIABILITIES</b>		3,408.13	2,849.37	3,141.39	4,786.44
<b>II. ASSETS</b>					
<b>(I) NON-CURRENT ASSETS</b>					
<b>(a) Property, Plant and Equipment and Intangible Assets</b>					
(i) Property, Plant and Equipment	11	1363.27	1,486.20	1,836.95	2,524.34
(ii) Intangible Assets		-	-	-	-
(iii) Capital Work-in-Progress	11	830.45	-	-	-
(iv) Intangible Assets under Development		-	-	-	-
		2,193.71	1,486.20	1,836.95	2,524.34
(b) Non-Current Investments					
(c) Long-Term Loans & Advances		-	-	-	-
(d) Deferred Tax Assets	12	46.97	42.28	22.89	29.73
(e) Other Non-Current Assets	13	111.32	111.37	194.64	251.77
<b>TOTAL NON-CURRENT ASSETS</b>		158.30	153.64	217.53	281.51
<b>(2) CURRENT ASSETS</b>					
(a) Current Investments		-	-	-	-
(b) Inventories	14	376.67	397.89	509.08	611.30
(c) Trade Receivables	15	373.36	568.68	481.44	1,137.50
(d) Cash & Cash Equivalents	16	11.00	86.28	16.88	22.34
(e) Short-Term Loans & Advances		-	-	-	-
(f) Other Current Assets	17	295.09	156.68	79.50	209.46
<b>TOTAL CURRENT ASSETS</b>		1,056.12	1,209.53	1,086.90	1,980.60
<b>TOTAL ASSETS</b>		3,408.13	2,849.37	3,141.39	4,786.44

Notes on Accounts 1-33

As Per Our attached audit report of even date

For K P C M & Co.

Chartered Accountants

Firm Reg. No. 0117390W

CA Kanaiya Asawa

Partner

Membership No. 103498

UDIN : 24103498BKFIQ3354

Place: Surat

Date : 05/12/2024

For, Scap Techno Fab Ltd.

CIN: U17120GJ2011PLC067249

Chetanbhai Makanbhai Patel

Director

DIN: 05105124

Pravinchandra Shamjibhai

Dhanani

Director

DIN: 03595321

Dhansukhbhai Kakadiya

Chief Financial Officer

Jayshree Mundhra

Company Secretary

Place: Surat

Date : 05/12/2024

**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**

**RESTATED STATEMENT OF PROFIT AND LOSS**

PARTICULARS	NOTES	Year ended on	Year ended on	Year ended on	Year ended on
		30-09-2024	31-03-2024	31-03-2023	31-03-2022
		INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs
<b>INCOME</b>					
Revenue from Operations (net)	18	2,125.71	4,094.87	2,386.13	8,716.06
Other Income	19	9.96	16.12	108.84	82.15
<b>TOTAL INCOME</b>		<b>2,135.66</b>	<b>4,110.99</b>	<b>2,494.97</b>	<b>8,798.22</b>
<b>EXPENDITURE</b>					
Cost of Material Consumed	20	749.89	1,093.31	508.96	5,424.50
Purchase of Stock in Trade		-	-	-	-
Changes in Inventories of Finished Goods/WIP	21	(8.21)	115.73	81.07	(115.00)
Employees Benefit Expense	22	333.61	685.73	603.12	837.77
Finance Cost	23	24.21	73.21	106.32	236.71
Depreciation & Amortization Expense	11	123.65	315.52	389.01	499.20
Other Expenses	24	738.06	1,557.41	1,032.58	1,669.88
<b>TOTAL EXPENSES</b>		<b>1,961.20</b>	<b>3,840.91</b>	<b>2,721.06</b>	<b>8,553.06</b>
<b>Profit/(Loss) Before Exceptional &amp; Extraordinary Items &amp; Tax</b>		<b>174.46</b>	<b>270.08</b>	<b>(226.09)</b>	<b>245.16</b>
Exceptional / Extraordinary Items		-	-	-	-
<b>Profit/(Loss) Before Tax</b>		<b>174.46</b>	<b>270.08</b>	<b>(226.09)</b>	<b>245.16</b>
<b>TAX EXPENSE</b>					
(a) Current Tax		43.91	49.89	-	82.41
Less: MAT Credit		-	-	-	-
<b>Net Current Tax Expense</b>		<b>43.91</b>	<b>49.89</b>	<b>-</b>	<b>82.41</b>
(b) Current Tax relating to Prior Years		0.02	-	-	-
(c) Deferred Tax	27	(4.70)	(19.38)	6.84	(29.15)
<b>Profit/(Loss) After Tax</b>		<b>135.23</b>	<b>239.57</b>	<b>(232.93)</b>	<b>191.89</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>135.23</b>	<b>239.57</b>	<b>(232.93)</b>	<b>191.89</b>
<b>Earnings Per Equity Share</b>					
(a) Basic	25	1.93	3.42	(3.33)	2.74
(b) Diluted	25	1.93	3.42	(3.33)	2.74

Notes on Accounts 1-33

As Per Our attached audit report of even date

For K P C M & Co.

Chartered Accountants

Firm Reg. No. 0117390W

For, Scap Techno Fab Ltd.

CIN: U17120GJ2011PLC067249

CA Kanaiya Asawa

Partner

Membership No.103498

UDIN : 24103498BKFIOQ3354

Chetanbhai Makanbhai  
Patel  
Director  
DIN: 05105124

Pravinchandra Shamjibhai  
Dhanani  
Director  
DIN: 03595321

Dhansukhbhai Kakadiya  
Chief Financial Officer

Jayshree Mundhra  
Company Secretary

Place: Surat

Date : 05/12/2024

Place: Surat

Date : 05/12/2024

**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**

**RESTATED STATEMENT OF CASHFLOWS**

PARTICULARS	Year ended on	Year ended on	Year ended on	Year ended on
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
1 NET PROFIT BEFORE TAXES & EXTRA-ORDINARY ITEMS	174.46	270.08	(226.09)	245.16
2 Adjustments for:				
Depreciation	123.65	295.16	109.31	499.20
Provision for Gratuity	7.96	24.60	(12.50)	12.97
Other Adjustment				
Interest & Other Financial Charges	24.21	73.21	106.32	236.71
3 Total (1+2)	<b>330.27</b>	<b>663.04</b>	<b>(22.96)</b>	<b>994.03</b>
4 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
(Increase) / Decrease in Inventory	21.22	111.20	102.21	69.13
(Increase) / Decrease in Investment	-	-	-	-
(Increase) / Decrease in Other Non-Current Assets	0.04	83.27	57.13	(58.35)
(Increase) / Decrease in Trade Receivables	195.32	(87.24)	656.05	236.71
(Increase) / Decrease in Other Current Assets	(138.65)	(77.18)	129.96	(10.96)
Increase / (Decrease) in Trade Payables	800.81	(7.00)	(124.13)	(196.63)
Increase / (Decrease) in Other Current Liabilities	289.55	(75.28)	(20.87)	41.88
Increase / (Decrease) in Short Term Provisions	(5.75)	49.90	(82.41)	(137.99)
5 Total (3+4)	<b>1,492.80</b>	<b>660.71</b>	<b>695.00</b>	<b>937.82</b>
6 CASH GENERATED FROM OPERATION				
Direct Taxes Paid	43.91	49.89	-	82.41
7 NET CASH FROM OPERATING ACTIVITIES (TOTAL 5+6)	<b>1,448.89</b>	<b>610.82</b>	<b>695.00</b>	<b>855.41</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets & Capital WIP	(831.16)	(58.45)	(24.29)	(675.05)
Sale of Fixed Assets	-	114.05	602.37	9.35
Purchase of Investment	-	-	-	-
NET CASH FROM INVESTING ACTIVITIES	<b>(831.16)</b>	<b>55.60</b>	<b>578.08</b>	<b>(665.70)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Share Capital Received	-	-	-	-
Share Premium Received	-	-	-	-
Increase/(Decrease) in Borrowings	(580.04)	(396.13)	(641.32)	(842.28)
Increase/(Decrease) in Working Capital from Bank	(88.76)	(127.66)	(530.90)	902.23
Dividend Paid (With Tax)	-	-	-	-
Interest Paid (Net)	(24.21)	(73.21)	(106.32)	(236.71)
NET CASH FROM FINANCING ACTIVITIES	<b>(693.01)</b>	<b>(597.01)</b>	<b>(1,278.54)</b>	<b>(176.75)</b>
<b>D Net Cash (used in)/ from Financing Activities Total (A+B+C)</b>	<b>(75.28)</b>	<b>69.41</b>	<b>(5.46)</b>	<b>12.96</b>
<b>E</b>				
Opening Balance of Cash & Cash Equivalents	<b>86.28</b>	<b>16.88</b>	<b>22.34</b>	<b>9.38</b>
Closing Balance of Cash & Cash Equivalents (D + E)	<b>11.00</b>	<b>86.29</b>	<b>16.88</b>	<b>22.34</b>
<b>Cash &amp; Cash Equivalents Comprises of (Referring note 12)</b>				
Cash on Hand	4.20	8.12	15.85	16.50
Balance With Bank	6.79	78.16	1.02	5.84
Closing Balance of Cash & Cash Equivalents	<b>11.00</b>	<b>86.28</b>	<b>16.88</b>	<b>22.34</b>

As Per Our attached audit report of even date

For K P C M & Co.

Chartered Accountants

Firm Reg. No. 0117390W

For, Scap Techno Fab Ltd.

CIN: U17120GJ2011PLC067249

Chetanbhai Makanbhai  
Patel  
Director  
DIN: 05105124

Pravinchandra Shamjibhai  
Dhanani  
Director  
DIN: 03595321

CA Kanaiya Asawa

Partner

Membership No.103498

UDIN : 24103498BKFIQ3354

Dhansukhbhai Kakadiya  
Chief Financial Officer

Jayshree Mundhra  
Company Secretary

Place: Surat

Date : 05/12/2024

Place: Surat

Date : 05/12/2024

**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**  
**Notes to the Restated Balance Sheet**

**NOTES TO ACCOUNTS**

**NOTE 1: CORPORATE INFORMATION**

Scap Techno fab Limited is a Company incorporated under the provisions of Companies Act, 2013 of India. The Company is incorporated in the year of 2011 and engaged in the job-work business of Non-woven fabrics. They have their registered office at Block no. 414, plot no. 49 to 55, 58 to 64, behind Sai Service Center, Pipodara, Surat, Gujarat-394110. This financial statement have been restated for the special purpose of inclusion in offer document to be filed by the company in connection with the proposed Initial Public Offer (hereinafter referred as IPO)

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

These financial restatements of the company as on 30th September 2023, 31st March 2023, 31st March 2022 and 31st March 2021 have been prepared to comply with the Generally Accepted Accounting Principles in India (GAAP) under historical costing convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises the mandatory Accounting Standards prescribed under section 133 of The Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**2.2 Use of Estimates**

The preparation of the restated financial statements in conformity with the GAAP requires management to make estimates, judgements and technical and other assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

**2.3 Property, Plant & Equipment and Depreciation**

Property, Plant and Equipments are restated at the cost of acquisition or construction (net of Cenvat credits) less accumulated depreciation/amortization/Impairment if any thereon. All costs directly attributable including borrowing costs to the acquisition and installation are capitalized until the property, plant and equipments are ready for use as intended by management.

**Depreciation**

As per Companies Act, 2013, the company is required to compute depreciation in accordance with Schedule II to the Companies Act which provides useful lives to compute the depreciation. Depreciation on additions during the year is provided on pro-rata basis. Useful life of the asset is specified in Part C of Schedule II of the Companies Act, 2013, which is as under:

Name of The Asset	Useful Life
Computers	3 Years
Electric Equipments & Furniture	10 Years
Plant & Machinery	15 Years
Building	30 Years
Motor Vehicle	10 Years

**2.4 Income Recognition**

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. Sales are recorded at invoice values net of GST and trade discounts. The purchases are recorded at the invoice value net of GST and trade discounts. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**2.5 Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores & Spares and Finished Goods are stated 'at Cost or Net Realisable Value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**2.6 Investments**

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

**2.7 Retirement Benefits**

Retirement Benefits, are accounted on Actuarial Basis.

**2.8 Current Assets Balances**

Balances of Sundry Creditors, Sundry Debtors and loans and advances are subject to confirmation. In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation at least equal to the amounts at which they are stated in the Balance Sheet.

**2.9 Borrowing Costs**

Borrowing costs directly attributable to the acquisition or construction of qualifying property, plant & equipments are capitalized as part of the cost of property, plant & equipments, upto the date the asset is put to use. Other borrowing costs are charged to Profit and Loss Account in the year in which they are incurred.

**2.10 Taxes on Income**

Current tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are reviewed at each balance sheet date to re-assess realization.

**2.11 Change in Accounting Policies**

There has been no changes in the accounting policy.

**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**

**Notes to the Restated Balance Sheet**

**NOTE 3: EQUITY SHARE CAPITAL**

Particulars	As At Sept 30, 2024		As At March 31, 2024		As At March 31, 2023		As At March 31, 2022	
	Number	INR in Lakhs	Number	INR in Lakhs	Number	INR in Lakhs	Number	INR in Lakhs
<b>Authorised</b>								
1200000 equity shares of Rupees 10.00	1,20,00,000	1,200	1,20,00,000	1,200	1,20,00,000	1,200	12,50,000	125
<b>Issued</b>								
700000 equity shares of Rupees 10.00 each	70,00,000	700	70,00,000	700	70,00,000	700	10,00,000	100
<b>Subscribed and Paid up</b>								
700000 equity shares of Rupees 10.00 each	70,00,000	700	70,00,000	700	70,00,000	700	10,00,000	100
<b>Total</b>	<b>70,00,000</b>	<b>700</b>	<b>70,00,000</b>	<b>700</b>	<b>70,00,000</b>	<b>700</b>	<b>10,00,000</b>	<b>100</b>

Note:-

- Board of directors has passed the resolution in board meeting held on 02/01/2023 to issue the 60,00,000 bonus shares having face value and issue value of Rs.10 on 20/02/2023.

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As At Sept 30, 2024		As At March 31, 2024		As At March 31, 2023		As At March 31, 2022	
	Number	INR in Lakhs	Number	INR in Lakhs	Number	INR in Lakhs	Number	INR in Lakhs
Shares outstanding at the beginning of the year	70,00,000	700	70,00,000	700	10,00,000	100	10,00,000	100
Bonus shares issued during the year					60,00,000	600	-	-
Shares Issued during the year								
Shares bought back during the year					-	-	-	-
Shares outstanding at the end of the year	70,00,000	700	70,00,000	700	70,00,000	700	10,00,000	100

**Details of Shares held by Shareholders holding more than 5% of aggregate shares in the company**

Name of Shareholders	As At Sept 30, 2024		As At March 31, 2024		As At March 31, 2023		As At March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Pravinchandra Shamjibhai Dhanani	15,40,000	22.00%	15,40,000	22.00%	15,40,000	22.00%	2,20,000	22.00%
Sureshkumar Babubhai Gajera	15,33,000	21.90%	15,33,000	21.90%	15,33,000	21.90%	2,20,000	22.00%
Chetankumar Makanbhai Patel	15,40,000	22.00%	15,40,000	22.00%	15,40,000	22.00%	2,20,000	22.00%
Ashivnkumar Dhamjibhai Boda	15,33,000	21.90%	15,33,000	21.90%	15,33,000	21.90%	2,20,000	22.00%
Dhansukh Kakadiya	8,33,000	11.90%	8,33,000	11.90%	8,33,000	11.90%	1,20,000	12.00%
<b>TOTAL</b>	<b>69,79,000</b>	<b>99.70%</b>	<b>69,79,000</b>	<b>99.70%</b>	<b>69,79,000</b>	<b>99.70%</b>	<b>10,00,000</b>	<b>100.00%</b>

**Disclosure of Shareholding of Promoters**

Promoters name	As At Sept 30, 2024		As At March 31, 2024		As At March 31, 2023		As At March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pravinchandra Shamjibhai Dhanani	15,40,000	22.00%	15,40,000	22.00%	15,40,000	22.00%	2,20,000	22.00%
Sureshkumar Gajera	15,33,000	21.90%	15,33,000	21.90%	15,33,000	21.90%	2,20,000	22.00%
Chetankumar Patel	15,40,000	22.00%	15,40,000	22.00%	15,40,000	22.00%	2,20,000	22.00%
Ashivnkumar Dhamjibhai Boda	15,33,000	21.90%	15,33,000	21.90%	15,33,000	21.90%	2,20,000	22.00%
Dhansukh Kakadiya	8,33,000	11.90%	8,33,000	11.90%	8,33,000	11.90%	1,20,000	12.00%
Prince Boda	7,000	0.10%	7,000	0.10%	7,000	0.10%	-	-
Rajesh Kakadiya	7,000	0.10%	7,000	0.10%	7,000	0.10%	-	-
Himanshu Gajera	7,000	0.10%	7,000	0.10%	7,000	0.10%	-	-
<b>% Change During the year/period</b>								
Sureshkumar Gajera	-	0.00%	-	0.00%	(7,000)	-0.10%	-	0.00%
Ashivnkumar Dhamjibhai Boda	-	0.00%	-	0.00%	(7,000)	-0.10%	-	0.00%
Dhansukh Kakadiya	-	0.00%	-	0.00%	(7,000)	-0.10%	-	0.00%
Prince Boda	-	0.00%	-	0.00%	7,000	0.10%	-	0.00%
Rajesh Kakadiya	-	0.00%	-	0.00%	7,000	0.10%	-	0.00%
Himanshu Gajera	-	0.00%	-	0.00%	7,000	0.10%	-	0.00%

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The equity shares entitled to rank pari passu to the extent of amount paid up per share in the amount of dividend declared by the company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

The company has not issued any shares for consideration other than cash.

Company has issued 60,00,000 bonus shares on 20/02/2023 to the existing shareholder.

The company has not undertaken any buy-back of shares.

**SCAP TECHNO FAB LTD.**  
CIN: U17120GJ2011PLC067249  
Notes to the Restated Balance Sheet

Note 4: Reserves and Surplus				
Particulars	As At 30/09/2024	As at 31/03/2024	As at 31/03/2023	INR in Lakhs As at 31/03/2022
<b>Security Premium Reserve Account</b>				
Opening Balance	13.62	13.62	13.62	13.62
Add: Securities premium credited on Share issue	-	-	-	-
Less: Premium Utilised for Bonus Issue	-	-	-	-
<b>Closing Balance</b>	<b>13.62</b>	<b>13.62</b>	<b>13.62</b>	<b>13.62</b>
<b>Others</b>				
<b>Profit &amp; Loss Account</b>				
Opening Balance	700.90	461.33	1,294.26	1,102.37
Add : Profit or (Loss) for the Year	135.23	239.57	(232.93)	191.89
Less: Profit Utilised for Bonus Issue	-	-	600.00	-
Less : Income tax of Prior Periods	-	-	-	-
Closing Balance	836.13	700.90	461.33	1,294.26
<b>TOTAL</b>	<b>849.75</b>	<b>714.52</b>	<b>474.95</b>	<b>1,307.88</b>

Company has not recognised any Gratuity up till now so balance of present value defined obligation of gratuity as on 01/04/2022 has been adjusted with the opening balance of the profit and loss account. The amount for the adjustment is Rs. 33.51 Lakhs. (The present value of the benefit obligation was drawn by the report prepared by the actuary report.)

NOTE 5: LONG TERM BORROWINGS				
Particulars	As At 30/09/2024	As at 31/03/2024	As at 31/03/2023	INR in Lakhs As at 31/03/2022
<b>Secured</b>				
<b>Term Loans - From Bank</b>				
Term Loan from ICICI Bank	125.52	288.50	570.52	1,172.41
ICICI Car Loan	3.74	5.82	11.19	17.40
HDFC Car Loan	-	-	3.52	6.97
BOB Car Loan	-	-	-	3.59
ECL ICICI BANK	-	32.84	-	-
<b>Total</b>	<b>129.26</b>	<b>327.16</b>	<b>585.22</b>	<b>1,200.37</b>
<b>Unsecured</b>				
Loans and advances from related parties	291.58	673.71	811.79	837.95
<b>Total</b>	<b>291.58</b>	<b>673.71</b>	<b>811.79</b>	<b>837.95</b>
<b>Total</b>	<b>420.83</b>	<b>1,000.87</b>	<b>1,397.01</b>	<b>2,038.32</b>

FY 2024-25					
FROM BANK AND FINANCIAL INSTITUTIONS	CURRENT YEAR	PREVIOUS YEAR	INTEREST RATE(%)	REPAYMENT TERMS IN MONTHS	INR in Lakhs
Term Loan from ICICI Bank	125.52	288.50	7.35%	60	1. BLOCK No 358, NANDAV, TAL: MANGROL, DIST: SURAT 394125 2. BLOCK No. 414, PLOT NO 58 ,59, 61,62,63,64 ( PATEL TEXTILE ) AND BLOCK No. 414 PLOT No 60, AT: PIPODRA, TAL: MANGROL, DIST: SURAT :394110
ICICI Car Loan	3.74	5.82	7.00%	60	Hypothecation of car
ECL ICICI BANK	-	32.84	7.60%	54	No securities

FY 2023-24					
FROM BANK AND FINANCIAL INSTITUTIONS	CURRENT YEAR	PREVIOUS YEAR	INTEREST RATE(%)	REPAYMENT TERMS IN MONTHS	INR in Lakhs
Term Loan from ICICI Bank	288.50	570.52	7.35%	60	1. BLOCK No 358, NANDAV, TAL: MANGROL, DIST: SURAT 394125 2. BLOCK No. 414, PLOT NO 58 ,59, 61,62,63,64 ( PATEL TEXTILE ) AND BLOCK No. 414 PLOT No 60, AT: PIPODRA, TAL: MANGROL, DIST: SURAT :394110 3. BLOCK NO 414, PLOT NO. 49,50 PLOT NO. 51,52, PLOT No 53,54,55, AT: PIPODRA, TAL: MANGROL, DIST: SURAT : 394110
ICICI Car Loan	5.82	11.19	7.00%	60	Hypothecation of car
HDFC Car Loan	-	3.52	11.00%	48	Hypothecation of car
BOB Car Loan	-	-	8.70%	36	Hypothecation of car
Koatak Mahindra Car Loan	-	-	8.40%	48	Hypothecation of car
ECL ICICI BANK	32.84	-	7.60%	54	No securities

FY 2022-23					
FROM BANK AND FINANCIAL INSTITUTIONS	CURRENT YEAR	PREVIOUS YEAR	INTEREST RATE(%)	REPAYMENT TERMS IN MONTHS	INR in Lakhs
Term Loan from ICICI Bank	570.52	1,172.41	7.35%	60	1. BLOCK No 358, NANDAV, TAL: MANGROL, DIST: SURAT 394125 2. BLOCK No. 414, PLOT NO 58 ,59, 61,62,63,64 ( PATEL TEXTILE ) AND BLOCK No. 414 PLOT No 60, AT: PIPODRA, TAL: MANGROL, DIST: SURAT :394110 3. BLOCK NO 414, PLOT NO. 49,50 PLOT NO. 51,52, PLOT No 53,54,55, AT: PIPODRA, TAL: MANGROL, DIST: SURAT : 394110
ICICI Car Loan	11.19	17.40	7.00%	60	Hypothecation of car
HDFC Car Loan	3.52	6.97	11.00%	48	Hypothecation of car
BOB Car Loan	-	3.59	8.70%	36	Hypothecation of car
Koatak Mahindra Car Loan	-	-	8.40%	48	Hypothecation of car

FY 2021-22					
FROM BANK AND FINANCIAL INSTITUTIONS	CURRENT YEAR	PREVIOUS YEAR	INTEREST RATE(%)	REPAYMENT TERMS IN MONTHS	INR in Lakhs
Term Loan from ICICI Bank	1,172.41	1,753.94	7.35%	60	1. BLOCK No 358, NANDAV, TAL: MANGROL, DIST: SURAT 394125 2. BLOCK No. 414, PLOT NO 58 ,59, 61,62,63,64 ( PATEL TEXTILE ) AND BLOCK No. 414 PLOT No 60, AT: PIPODRA, TAL: MANGROL, DIST: SURAT :394110 3. BLOCK NO 414, PLOT NO. 49,50 PLOT NO. 51,52, PLOT No 53,54,55, AT: PIPODRA, TAL: MANGROL, DIST: SURAT : 394110
ICICI Car Loan	17.40	23.36	7.00%	60	Hypothecation of car
HDFC Car Loan	6.97	10.08	11.00%	48	Hypothecation of car
BOB Car Loan	3.59	7.35	8.70%	36	Hypothecation of car
Koatak Mahindra Car Loan	-	3.20	8.40%	48	Hypothecation of car
Yes Bank Loan	-	1.16	7.50%	36	Hypothecation of car

**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**

**Notes to the Restated Balance Sheet**

<b>Note 6: Longterm Provision</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
Gratuity Provision	64.48	56.75	33.25	45.62
<b>TOTAL</b>	<b>64.48</b>	<b>56.75</b>	<b>33.25</b>	<b>45.62</b>

<b>Note 7: Short Term Borrowing</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
ICICI CC Account	154.90	243.67	371.33	902.23
<b>TOTAL</b>	<b>154.90</b>	<b>243.67</b>	<b>371.33</b>	<b>902.23</b>

<b>Note 8: Trade Payables</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
Total Outstanding Dues of Micro And Small Enterprises (as per the intimation received from vendors)				
Total Outstanding Dues of Creditors Other Than Micro And Small Enterprises	821.18	20.37	27.37	151.50
<b>TOTAL</b>	<b>821.18</b>	<b>20.37</b>	<b>27.37</b>	<b>151.50</b>

**Notes :-**

Trade Payables Ageing Schedule (Note No. 30).

<b>Note 9: Other Current Liabilities</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
Provident Fund Payable	-	-	0.33	0.16
Salary Payable	29.64	0.90	0.90	12.00
TDS Payable	2.67	14.07	7.69	10.26
TCS Payable	-	-	-	0.40
GST Payable	-	7.02	8.08	9.03
RCM Payable	-	-	-	-
Rent Payable	-	2.10	-	8.06
Directors Remuneration Payable	92.10	-	99.37	93.34
Advance from customers	199.80	0.53		
Income tax payable(Himanshu vayeda)	0.31	0.31		
Power & Fuel Payable	26.50	36.53	20.38	24.36
<b>TOTAL</b>	<b>351.02</b>	<b>61.47</b>	<b>136.75</b>	<b>157.62</b>

<b>Note 10: Current Provision</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
Income Tax	43.91	49.89	0.00	82.41
Grauity Provision	2.05	1.82	0.72	0.86
<b>TOTAL</b>	<b>45.96</b>	<b>51.71</b>	<b>0.72</b>	<b>83.27</b>



SCAP TECHNO FAB LTD.  
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Notes to the Restated Balance Sheet

**Note 11 : PROPERTY, PLANT & EQUIPMENTS**

Particulars	Gross Block				Depreciation Block				Net Block	
	As at April 1, 2024	Additions during the Year	Deduction during the Year	As At Sept 30, 2024	As at April 1, 2024	Additions during the Year	Deduction during the Year	As At Sept 30, 2024	As At Sept 30, 2024	As at March 31, 2024
	INR in Lakhs									
<b>Tangible Assets</b>										
Building	482.79	-	-	482.79	183.93	14.23	-	198.16	284.62	298.86
Plant & Machinery	2,765.72	-	-	2,765.72	1,621.26	103.86	-	1,725.12	1,040.60	1,144.46
Motor Vehicles	99.79	-	-	99.79	81.21	2.91	-	84.12	15.67	18.58
Furniture & Fixtures	6.01	-	-	6.01	4.41	0.21	-	4.62	1.40	1.60
Office Equipments	43.53	-	-	43.53	21.93	1.96	-	23.89	19.64	21.60
Computer Equipment	15.83	0.72	-	16.55	14.74	0.48	-	15.22	1.33	1.09
Capital Work in Progress	-	830.45	-	830.45	-	-	-	-	830.45	-
<b>Total Assets</b>	<b>3,413.67</b>	<b>831.16</b>	<b>-</b>	<b>4,244.84</b>	<b>1,927.48</b>	<b>123.65</b>	<b>-</b>	<b>2,051.13</b>	<b>2,193.71</b>	<b>1,486.20</b>

Particulars	Gross Block				Depreciation Block				Net Block	
	As at April 1, 2023	Additions during the Year	Deduction during the Year	As at March 31, 2024	As at April 1, 2023	Additions during the Year	Deduction during the Year	As at March 31, 2024	As at March 31, 2024	As at Mar 31, 2023
	INR in Lakhs									
<b>Tangible Assets</b>										
Building	473.73	9.06	-	482.79	153.24	30.69	-	183.93	298.86	320.49
Plant & Machinery	2,832.87	46.90	114.05	2,765.72	1,370.86	270.76	20.36	1,621.26	1,144.46	1,462.01
Motor Vehicles	99.79	-	-	99.79	72.77	8.44	-	81.21	18.58	27.02
Furniture & Fixtures	5.26	0.75	-	6.01	4.08	0.33	-	4.41	1.60	1.18
Office Equipments	42.52	1.01	-	43.53	17.31	4.62	-	21.93	21.60	25.20
Computer Equipment	15.11	0.72	-	15.83	14.06	0.69	-	14.74	1.09	1.05
<b>Total Assets</b>	<b>3,469.27</b>	<b>58.45</b>	<b>114.05</b>	<b>3,413.67</b>	<b>1,632.32</b>	<b>315.52</b>	<b>20.36</b>	<b>1,927.48</b>	<b>1,486.20</b>	<b>1,836.95</b>

Particulars	Gross Block				Depreciation Block				Net Block	
	As at April 1, 2022	Additions during the Year	Deduction during the Year	As at Mar 31, 2023	As at April 1, 2022	Additions during the Year	Deduction during the Year	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
	INR in Lakhs									
<b>Tangible Assets</b>										
Building	473.73	-	-	473.73	119.60	33.64	-	153.24	320.49	354.13
Plant & Machinery	3,435.23	-	602.37	2,832.87	1,314.30	336.25	279.70	1,370.86	1,462.01	2,120.93
Motor Vehicles	99.79	-	-	99.79	60.50	12.27	-	72.77	27.02	39.29
Furniture & Fixtures	5.26	-	-	5.26	3.67	0.41	-	4.08	1.18	1.59
Office Equipments	18.79	23.72	-	42.52	12.68	4.64	-	17.31	25.20	6.12
Computer Equipment	14.54	0.57	-	15.11	12.26	1.79	-	14.06	1.05	2.28
<b>Total Assets</b>	<b>4,047.35</b>	<b>24.29</b>	<b>602.37</b>	<b>3,469.27</b>	<b>1,523.01</b>	<b>389.01</b>	<b>279.70</b>	<b>1,632.32</b>	<b>1,836.95</b>	<b>2,524.34</b>

Particulars	Gross Block				Depreciation Block				Net Block	
	As at April 1, 2021	Additions during the Year	Deduction during the Year	As at Mar 31, 2022	As at April 1, 2021	Additions during the Year	Deduction during the Year	As at Mar 31, 2022	As at Mar 31, 2022	As at Mar 31, 2021
	INR in Lakhs									
<b>Tangible Assets</b>										
Building	463.48	10.25	-	473.73	82.81	36.79	-	119.60	354.13	380.67
Plant & Machinery	2,780.99	663.60	9.35	3,435.23	874.52	439.79	-	1,314.30	2,120.93	1,906.47
Motor Vehicles	99.79	-	-	99.79	42.66	17.84	-	60.50	39.29	57.14
Furniture & Fixtures	5.26	-	-	5.26	3.11	0.56	-	3.67	1.59	2.15
Office Equipments	18.79	-	-	18.79	11.33	1.35	-	12.68	6.12	7.47
Computer Equipment	13.33	1.21	-	14.54	9.40	2.87	-	12.26	2.28	3.94
<b>Total Assets</b>	<b>3,381.65</b>	<b>675.05</b>	<b>9.35</b>	<b>4,047.35</b>	<b>1,023.82</b>	<b>499.20</b>	<b>-</b>	<b>1,523.01</b>	<b>2,524.34</b>	<b>2,357.83</b>

**SCAP TECHNO FAB LTD.**  
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**Notes to the Restated Balance Sheet**

<b>Note 12: Deferred Tax Asset</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
On account of Depreciation	30.23	27.54	14.34	18.04
On account of Gratuity	16.74	14.74	8.55	11.70
<b>TOTAL</b>	<b>46.97</b>	<b>42.28</b>	<b>22.89</b>	<b>29.73</b>

<b>Note 13: Other Non-Current Assets</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
Security Deposits	8.41	8.46	112.93	112.78
Receivable from Government Authorities	102.91	102.91	81.71	138.99
<b>TOTAL</b>	<b>111.32</b>	<b>111.37</b>	<b>194.64</b>	<b>251.77</b>

<b>Note 14: Inventories</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
Raw Material	328.17	357.60	353.06	374.21
Finished Goods	30.04	27.61	140.56	222.38
Packing Material	10.26	8.10	8.19	13.33
Waste Scrap	8.20	4.58	7.28	1.38
<b>TOTAL</b>	<b>376.67</b>	<b>397.89</b>	<b>509.08</b>	<b>611.30</b>

<b>Note 15: Trade Receivables</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
Secured, considered good			-	-
Unsecured, considered good	373.36	568.68	481.44	1,137.50
Which have significant increase in credit risk			-	-
Credit Impaired			-	-
Less: Provision for doubtful debts			-	-
<b>TOTAL</b>	<b>373.36</b>	<b>568.68</b>	<b>481.44</b>	<b>1,137.50</b>

**Notes :-**

Trade Receivables Ageing Schedule (Note No. 31).

<b>Note 16: Cash &amp; Cash equivalents</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
Cash in Hand	4.20	8.12	15.85	16.50
Balance with Bank	6.79	78.16	1.02	5.84
<b>TOTAL</b>	<b>11.00</b>	<b>86.28</b>	<b>16.88</b>	<b>22.34</b>

<b>Note 17: Other Current Assets</b>				<b>INR in Lakhs</b>
<b>Particulars</b>	<b>As At 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
FD with ICICI Bank	78.37	76.23	73.57	141.67
Land Advance	2.30	-	-	39.00
Loan to Staff	-	-	1.34	0.71
Loan to others		1.47	-	0.96
GST Receivable	162.00	-	0.67	27.13
Prepaid expenses(pre IPO expenses)	11.00	10.00		
DGVCL Interest Receivable	3.19	5.73	3.92	-
Advance to creditors		1.25		
TDS receivables	38.24	61.98		
TCS receivable	-	0.01		
<b>TOTAL</b>	<b>295.10</b>	<b>156.69</b>	<b>79.50</b>	<b>209.46</b>

<b>SCAP TECHNO FAB LTD.</b> <b>CIN: U17120GJ2011PLC067249</b> <b>Notes to the Restated Profit and Loss</b>				
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Note 18: Revenue from Operation				INR in Lakhs
Particulars	For the year ended Sept 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Jobwork	1,229.96	2,786.86	18.09	127.59
Sale of Product	895.74	1,308.01	2,368.04	8,588.48
<b>TOTAL</b>	<b>2,125.71</b>	<b>4,094.87</b>	<b>2,386.13</b>	<b>8,716.06</b>

NOTE 18A: Region wise Sale of Products				INR in Lakhs
Particulars	For the year ended Sept 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic	2,100.44	4,012.00	2,330.93	7,360.59
Export Sales	25.26	82.86	55.20	1,355.47
<b>TOTAL</b>	<b>2,125.71</b>	<b>4,094.87</b>	<b>2,386.13</b>	<b>8,716.06</b>

Note 19: Other Income				INR in Lakhs
Particulars	For the year ended Sept 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Int On DGVCL Deposit	3.19	6.37	4.36	-
Discount & Rebate	-	1.54	4.07	9.18
Interest Subsidy Gujarat Government	-	-	-	11.84
GST Refund	-	0.34	-	1.45
Int On T Refund	-	3.23	2.18	0.56
Incometax Refund AY 2021-22	-	-	0.16	-
VAT Refund	-	-	-	0.73
Interest On FD	2.14	4.10	3.76	4.25
Freight (Export)	0.43	-	-	36.41
DGVCL Subsidy	3.93	-	-	-
BAD Debts Recover	-	-	2.12	0.37
Government Subsidy	-	-	1.31	1.58
Profit on sale of fixed asset	-	-	88.67	-
Exchange Rate Fluctuation	0.26	0.54	2.21	15.77
<b>TOTAL</b>	<b>9.96</b>	<b>16.12</b>	<b>108.84</b>	<b>82.15</b>

Note 20: Cost of Raw Material Consumed				INR in Lakhs
Particulars	For the year ended Sept 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	357.60	353.06	374.21	558.34
Add: Purchase	720.46	1,097.85	487.81	5,240.37
Less: Closing Stock	328.17	357.60	353.06	374.21
<b>TOTAL</b>	<b>749.89</b>	<b>1,093.31</b>	<b>508.96</b>	<b>5,424.50</b>

Note 21: Increase And Decrease In Finished Stock				INR in Lakhs
Particulars	For the year ended Sept 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening Stock</b>				
Finished Goods	40.29	156.02	237.09	122.09
<b>Sub Total (A)</b>	<b>40.29</b>	<b>156.02</b>	<b>237.09</b>	<b>122.09</b>
<b>Closing Stock</b>				
Finished Goods	48.50	40.29	156.02	237.09
<b>Sub Total (B)</b>	<b>48.50</b>	<b>40.29</b>	<b>156.02</b>	<b>237.09</b>
<b>TOTAL</b>	<b>(8.21)</b>	<b>115.73</b>	<b>81.07</b>	<b>(115.00)</b>

Note 22: Employees Benefit Expense				INR in Lakhs
Particulars	For the year ended Sept 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Staff salary and welfare expense	94.61	359.17	446.15	490.68
Directors Remuneration	150.00	300.00	165.00	330.00
PF Contribution	0.97	1.97	1.95	1.85
Gratuity Expense	7.96	24.60	(12.50)	12.97
Factory Wages & Labour Exp.	80.08	-	-	-
Arrears of Staff Salary Expense	-	-	2.52	2.28
<b>TOTAL</b>	<b>333.61</b>	<b>685.73</b>	<b>603.12</b>	<b>837.77</b>

Note 23: Finance Cost				INR in Lakhs
Particulars	For the year ended Sept 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Bank Interest On CC A/C	8.26	21.37	19.62	29.51
Interest On Term Loan	8.40	44.02	74.52	122.52
Interest on Car Loan	0.19	-	-	-
Interest On TDS & TCS	0.03	-	0.01	0.20
Interest To Depositor	6.02	4.81	11.14	76.82
Bank Charges	1.30	3.01	1.04	7.66
Loan Processing Charges	-	-	-	-
<b>TOTAL</b>	<b>24.21</b>	<b>73.21</b>	<b>106.32</b>	<b>236.71</b>

Note 24: Other Expenses				INR in Lakhs
Particulars	For the year ended Sept 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Power And Fuel	374.13	677.53	411.84	623.72
Repairs Maintenance Charges Of Plant And Machinery	61.85	15.76	59.90	94.62
Insurance Expenses	2.91	8.59	7.90	8.77
Freight	58.17	143.25	98.71	220.26
Loading-Unloading Charges	82.61	153.32	117.83	93.79
Telephone & Stationery expense	0.35	1.64	2.30	2.78
Factory and Office Rent Expense	59.79	66.42	62.91	62.88
Discount & Rate Difference	0.01	(0.06)	43.33	24.80
Electrical & Electronics Expense	4.57	10.54	3.74	21.05
Travelling Expenses	13.93	13.24	6.58	8.14
Professional Fees	3.26	9.01	19.05	4.65
Legal Expense	0.00	2.11	12.45	-
Vehicle Expense	2.50	5.14	6.50	5.67
Donation	-	-	0.40	-
Postage & Courier Exp	0.03	-	-	-
Printing & Stationery Exp	0.64	-	-	-
Canteen Expense	16.96	15.44	19.65	28.64
Sales & Promotion Expense	2.70	10.47	11.85	3.93
D/GFT License Fee	0.47	0.21	1.06	2.12
Factory Expense	1.84	5.59	14.54	30.41
Computer & Internet Expense	1.22	2.50	4.32	5.00
Misc Expense	5.43	6.36	5.49	8.84
Consulting Fees	3.46	6.71	16.76	19.51
Petrol Expense	6.11	11.83	11.56	12.24
Clearing & Forwarding Charges(Export)	1.68	6.52	2.47	48.65
Commission Expense	17.85	73.26	18.15	74.64
CSR Expense	-	-	7.97	-
Security Guard expense	6.73	13.44	11.43	12.62
Transport Expense	1.37	1.11	0.77	37.42
Office Expense	2.73	-	-	2.00
Foreign Currency Loss	-	-	-	-
Professional Tax	0.90	-	-	-
Member Ship & Subscription Exp.	0.12	-	-	-
Job Works Charges	0.47	-	-	-
GST Expense	-	40.33	17.65	-
GPCB	-	-	1.06	-
Business sharing expense	-	239.24	34.43	212.75
Packing & material expense	3.28	15.51	-	-
Bad Debts	-	2.41	-	-
<b>TOTAL</b>	<b>738.06</b>	<b>1,557.41</b>	<b>1,032.58</b>	<b>1,669.88</b>



**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**

**Notes to the Restated Balance Sheet**

**Note No. 30: Trade Payables Ageing Schedule**

<b>As on 30/09/2024</b>					<b>INR in Lakhs</b>
<b>Particulars</b>	<b>Outstanding for following periods from Due Date of Payment</b>				<b>Total</b>
	<b>Less than 1 Years</b>	<b>1 - 2 Years</b>	<b>2 - 3 Years</b>	<b>More than 3 years</b>	
(1) MSME	-	-	-	-	-
(2) Others	821.18	-	-	-	821.18
(4) Disputed Dues - MSME	-	-	-	-	-
(5) Disputed Dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>821.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>821.18</b>

<b>As on 31/03/2024</b>					<b>INR in Lakhs</b>
<b>Particulars</b>	<b>Outstanding for following periods from Due Date of Payment</b>				<b>Total</b>
	<b>Less than 1 Years</b>	<b>1 - 2 Years</b>	<b>2 - 3 Years</b>	<b>More than 3 years</b>	
(1) MSME	-	-	-	-	-
(2) Others	20.37	-	-	-	20.37
(4) Disputed Dues - MSME	-	-	-	-	-
(5) Disputed Dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>20.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.37</b>

<b>As on 31/03/2023</b>					<b>INR in Lakhs</b>
<b>Particulars</b>	<b>Outstanding for following periods from Due Date of Payment</b>				<b>Total</b>
	<b>Less than 1 Years</b>	<b>1 - 2 Years</b>	<b>2 - 3 Years</b>	<b>More than 3 years</b>	
(1) MSME	-	-	-	-	-
(2) Others	27.37	-	-	-	27.37
(4) Disputed Dues - MSME	-	-	-	-	-
(5) Disputed Dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>27.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.37</b>

<b>As on 31/03/2022</b>					<b>INR in Lakhs</b>
<b>Particulars</b>	<b>Outstanding for following periods from Due Date of Payment</b>				<b>Total</b>
	<b>Less than 1 Years</b>	<b>1 - 2 Years</b>	<b>2 - 3 Years</b>	<b>More than 3 years</b>	
(1) MSME	-	-	-	-	-
(2) Others	151.50	-	-	-	151.50
(4) Disputed Dues - MSME	-	-	-	-	-
(5) Disputed Dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>151.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151.50</b>

**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**  
**Notes to the Restated Balance Sheet**

**Note No. 31: Trade Receivable Ageing Schedule**

As on 30/09/2024						INR in Lakhs
Particulars	Outstanding for following periods from Due Date of Payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(1) Undisputed Trade Receivables- Considered Good	373.36			-	-	373.36
(2) Undisputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(3) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(4) Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
(5) Disputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(6) Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>373.36</b>	-	-	-	-	<b>373.36</b>

As on 31/03/2024						INR in Lakhs
Particulars	Outstanding for following periods from Due Date of Payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(1) Undisputed Trade Receivables- Considered Good	565.88	1.60	1.20	-	-	568.68
(2) Undisputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(3) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(4) Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
(5) Disputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(6) Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>565.88</b>	<b>1.60</b>	<b>1.20</b>	-	-	<b>568.68</b>

As on 31/03/2023						INR in Lakhs
Particulars	Outstanding for following periods from Due Date of Payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(1) Undisputed Trade Receivables- Considered Good	403.08	78.37	-	-	-	481.44
(2) Undisputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(3) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(4) Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
(5) Disputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(6) Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>403.08</b>	<b>78.37</b>	-	-	-	<b>481.44</b>

As on 31/03/2022						INR in Lakhs
Particulars	Outstanding for following periods from Due Date of Payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(1) Undisputed Trade Receivables- Considered Good	1,136.66	0.83	-	-	-	1,137.50
(2) Undisputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(3) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(4) Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
(5) Disputed Trade Receivables- which have significant increase in Credit Risk	-	-	-	-	-	-
(6) Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,136.66</b>	<b>0.83</b>	-	-	-	<b>1,137.50</b>

**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**

**Notes to the Restated Balance Sheet**

<b>Note No. 32: Financial Ratios</b>							
<b>Sr. No.</b>	<b>Financial Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>31st March 2024</b>	<b>31st March 2023</b>	<b>% Variance</b>	<b>Reason for Variance</b>
1	Current Ratio (in times)	Current assets	Current liabilities	3.21	2.03	58.18%	Current Ratio has slightly decreased due to increase in liabilities.
2	Debt Equity Ratio (in times)	Debt consists of borrowings & lease liabilities	Total Shareholder's Equity	0.88	1.51	-41.54%	Due to decrease in Term Loan Borrowings, Ratio decreased
3	Return on Equity Ratio (in %)	Profit for the year	Average Shareholder's Equity	18.50%	-18.04%	-202.59%	Due to increase in the net profit, the Ratio increased
4	Inventory Turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Inventories	9.03	4.26	111.99%	Ratio increased due to decrease in holding period of Inventory.
5	Trade Receivables Turnover ratio (in times)	Gross Revenue from sale of products and services	Average Trade receivables	7.83	3.08	154.02%	Ratio increased due to decrease in Credit Period given to the Customers.
6	Trade Payables Turnover ratio (in times)	COGS	Average Trade payables	50.65	6.60	667.74%	Due to decrease in credit received from suppliers, the Ratio increased.
7	Net Capital Turnover ratio (in times)	Net Revenue from sale of products and services	Working Capital (Current assets-Current liabilities)	3.47	3.26	6.31%	Due to decrease in Working Capital & increase in Sales, the ratio increased
8	Net Profit Ratio (in %)	Profit for the year	Gross Revenue from sale of products and services	5.85%	-9.76%	-159.93%	Net Profit Margin has been increased due to the increase in sales viz a viz decrease in finance cost.
9	Return on Capital Employed (in %)	Profit before interest and taxes	Capital employed	13.89%	-4.60%	402.07%	Due to increase in profit, the Ratio increased
10	Return on Investment (in %)	Income from Investments	Time weighted average Investments	0.00%	0.00%	0.00%	-

<b>Sr. No.</b>	<b>Financial Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>31st March 2023</b>	<b>31st March 2022</b>	<b>% Variance</b>	<b>Reason for Variance</b>
1	Current Ratio (in times)	Current assets	Current liabilities	2.03	1.53	32.50%	Current Ratio has slightly increased due to decrease in liabilities.
2	Debt Equity Ratio (in times)	Debt consists of borrowings & lease liabilities	Total Shareholder's Equity	1.51	2.09	-27.94%	Due to decrease in Term Loan Borrowings, Ratio decreased.
3	Return on Equity Ratio (in %)	Profit for the year	Average Shareholder's Equity	-18.04%	14.44%	-224.89%	Due to decrease in the net profit, the Ratio decreased
4	Inventory Turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Inventories	4.26	13.50	-68.44%	Ratio reduced due to increase in holding period of Inventory.
5	Trade Receivables Turnover ratio (in times)	Gross Revenue from sale of products and services	Average Trade receivables	3.08	7.01	-56.00%	Ratio decreased due to increase in Credit Period given to the Customers.
6	Trade Payables Turnover ratio (in times)	COGS	Average Trade payables	6.60	21.25	-68.96%	Due to increase in credit received from suppliers, the Ratio decreased.
7	Net Capital Turnover ratio (in times)	Net Revenue from sale of products and services	Working Capital (Current assets-Current liabilities)	3.26	4.97	-34.33%	Due to decrease in Sales, the ratio decreased
8	Net Profit Ratio (in %)	Profit for the year	Gross Revenue from sale of products and services	-9.76%	2.20%	-543.40%	Net Profit Margin has been decreased due to the decrease in sales viz a viz increment in finance cost and fixed cost.
9	Return on Capital Employed (in %)	Profit before interest and taxes	Capital employed	-4.60%	13.80%	-133.31%	Due to decrease in profit, the Ratio decreased
10	Return on Investment (in %)	Income from Investments	Time weighted average Investments	0.00%	0.00%	0.00%	-

<b>Sr. No.</b>	<b>Financial Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>31st March 2022</b>	<b>31st March 2021</b>	<b>% Variance</b>	<b>Reason for Variance</b>
1	Current Ratio (in times)	Current assets	Current liabilities	1.53	3.31	-53.73%	Current Ratio has slightly decreased due to increase in liabilities.
2	Debt Equity Ratio (in times)	Debt consists of borrowings & lease liabilities	Total Shareholder's Equity	2.09	2.31	-9.40%	Due to decrease in Term Loan Borrowings, Ratio decreased
3	Return on Equity Ratio (in %)	Profit for the year	Average Shareholder's Equity	14.44%	54.79%	-73.64%	Due to decrease in the net profit, the Ratio decreased
4	Inventory Turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Inventories	13.50	20.37	-33.74%	Ratio reduced due to increase in holding period of Inventory.
5	Trade Receivables Turnover ratio (in times)	Gross Revenue from sale of products and services	Average Trade receivables	7.01	10.13	-30.85%	Ratio decreased due to increase in Credit Period given to the Customers.
6	Trade Payables Turnover ratio (in times)	COGS	Average Trade payables	21.25	20.73	2.52%	Due to decrease in credit received from suppliers, the Ratio increased.
7	Net Capital Turnover ratio (in times)	Net Revenue from sale of products and services	Working Capital (Current assets-Current liabilities)	4.97	1.94	156.19%	Due to decrease in Working Capital & increase in Sales, the ratio increased
8	Net Profit Ratio (in %)	Profit for the year	Gross Revenue from sale of products and services	2.20%	6.57%	-66.49%	Net Profit Margin has been decreased due to the decrease in sales viz a viz increment in finance cost and fixed cost.
9	Return on Capital Employed (in %)	Profit before interest and taxes	Capital employed	13.80%	24.24%	-43.06%	Due to increase in borrowings, the Ratio decreased
10	Return on Investment (in %)	Income from Investments	Time weighted average Investments	0.00%	0.00%	0.00%	-



**SCAP TECHNO FAB LTD.**  
**CIN: U17120GJ2011PLC067249**

**Notes to the Restated Financial Statement**

**Note 33: Statement of material adjustment to the restated financial Statement**

**1. Material Regrouping**

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

**2. Material Adjustment in Restated Profit and Loss Account**

Particulars	AS AT	AS AT	INR in Lakhs
	31 MARCH 2024	31 MARCH 2023	AS AT 31 MARCH 2022
<b>Net profit as per audited financial statement</b>	<b>229.16</b>	<b>(242.29)</b>	<b>193.16</b>
Add/(Less):- Adjustment made to the net profit			
1) Gratuity Expense		12.50	(12.97)
2) Deferred Tax Income/(Expense)	20.56	(3.15)	11.69
3) Income Tax	(10.15)		
<b>Total Adjustment</b>	<b>10.41</b>	<b>9.35</b>	<b>(1.28)</b>
<b>Restated Profit/(Loss)</b>	<b>239.57</b>	<b>(232.93)</b>	<b>191.89</b>

As Per Our attached audit report of even date

For K P C M & Co.

Chartered Accountants

Firm Reg. No. 0117390W

CA Kanaiya Asawa

Partner

Membership No.103498

UDIN : 24103498BKFIOQ3354

Place: Surat

Date : 05/12/2024

For, Scap Techno Fab Ltd.

CIN: U17120GJ2011PLC067249

Chetanbhai Makanbhai

Patel

Director

DIN: 05105124

Pravinchandra

Shamjibhai Dhanani

Director

DIN: 03595321

Dhansukhbhai Kakadiya

Chief Financial Officer

Jayshree Mundhra

Company Secretary

Place: Surat

Date : 05/12/2024

**OTHER FINANCIAL INFORMATION**

(Amount in Lakhs)

Particulars	As at 30 <sup>th</sup> September 2024	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Net Worth (A)	1549.75	1,414.52	1,174.95	1,407.88
Average Net Worth (B)	1976.18	1,294.74	1,291.41	1,328.69
Profit Attributable to the Owners of the Company (C)	135.23	239.57	-232.93	191.89
<b>Weighted Average Number of Equity Shares Outstanding during the period/year</b>				
For Basic Earnings Per Share (D)	70,00,000	70,00,000	70,00,000	70,00,000
For Diluted Earnings Per Share (E)	70,00,000	70,00,000	70,00,000	70,00,000
Weighted Number of Shares Outstanding at the End of the Period/Year (F)	70,00,000	70,00,000	70,00,000	70,00,000
Restated Basic Earnings Per Share (INR) (C/D)	1.93	3.42	-3.33	2.74
Restated Diluted Earnings Per Share (INR) (C/E)	1.93	3.42	-3.33	2.74
Return on Average Net Worth (%) (C/B)	6.84%	18.50%	-18.04%	14.44%
Net Assets Value Per Share of INR 10/- Each (A/F)	22.14	20.21	16.78	20.11
Face Value (INR)	10	10	10	10
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	312.36	642.68	160.41	898.91
1.	2. The ratios have been computed as below:			
	<b>Basic earnings per share (INR)</b> = Net profit after tax attributable to owners of the Company, as restated / Weighted Average number of Equity Shares outstanding at the end of the year after taking effect of bonus shares			
	<b>Diluted earnings per share (INR)</b> = Net profit after tax attributable to owners of the Company, as restated / Weighted average number of potential equity shares outstanding during the year.			
	<b>Return on average net worth (%)</b> = Net profit after tax attributable to owners of the Company, as restated / Average net worth as restated.			
	<b>Net asset value per share (INR)</b> = Net worth, as restated / Weighted Average number of Equity Shares outstanding at the end of the year after taking effect of bonus shares.			
3.	4. Earning per share (EPS) calculation is in accordance with the notified Accounting Standard (AS) 20 'Earnings per share' prescribed by The Companies (Accounting Standards) Rules, 2006, as			

	amended.
5.	6. The amounts disclosed above are based on the restated financial information of the Company.
7.	8. Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium as per restated statement of assets and liabilities of the Company.
9.	10. Earnings before interest, tax, depreciation and amortisation (EBITDA) is as per restated statement of profit and loss of the Company for respective reported period/years 11. <i>EBITDA = Profit before tax + depreciation &amp; amortization expense + finance cost - Other Income</i>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial position and results of operations together with our Restated Standalone Financial Information, which have been included in this Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page no. 20 and "Forward Looking Statements" beginning on page no. 11, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion and analysis of our financial position and results of operations is based on our Restated Standalone Financial Information for the financial years ended March 31<sup>st</sup>, 2024, 2023 and 2022 including the related notes and reports, included in this Draft Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Standalone Financial Information will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" on pages no. 20 and 11, respectively, and elsewhere in this Draft Prospectus. Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.*

### BUSINESS OVERVIEW

Our Company was originally incorporated as Private Limited, under the Companies Act, 1956 ("Companies Act") in the name and style of "M/s Scap Techno Fab Private Limited" on September 24th, 2011 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Dadra and Nagar Havelli, Gujarat. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from "M/s Scap Techno Fab Private Limited" to "Scap Techno Fab Limited" vide Special Resolution dated April 12th, 2023. The status of the Company was changed to public limited and the fresh certificate of incorporation consequent to conversion was issued on May 19, 2023 by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is U17120GJ2011PLC067249.

Our Promoters Mr. Pravinchandra Shamjibhai Dhanani, Mr. Sureshkumar Babubhai Gajera, Mr. Ashvinkumar Damjibhai Boda, Mr. Chetankumar Makanbhai Patel and Mr. Dhansukhbhai Nanjibhai Kakadiya and others laid down the foundation of our company in the year 2011 as a Private Limited in the name of "M/s Scap Techno Fab Private Limited" with a vision to establish itself as a globally integrated & admired traders and manufacturers of Non-woven Fabric. Later on, they converted Private Limited into Public Limited Company in the name and style of "M/s Scap Techno Fab Limited (Scap)".

We ISO 9001:2015 company is engaged in the business of manufacturing of Polypropylene (PP) Non-Woven Fabric. The practical use of non-woven fabric is more ecological for certain applications, especially in fields and industries where disposable or single use products are important, such as organic farming, hospitals, health care, nursing homes, home furnishing, vehicle upholstery seat fabrication, Mattress & furniture covering, ecological packaging, industrial and consumer goods. We manufacture PP non-woven fabric in variety of sizes and density. As on the date of this Draft Prospectus, we manufacture PP non-woven fabric between 2.6 to 4.2 meters size and 08 GSM to 150 GSM.

Our manufacturing facility is situated at (i) Block No-414, Plot No-49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, (ii) Plot No-1, 2 & 3, Survey No. 358, Vill- Nandav, Tal-Mangrol, and (iii) R.S. No. 411, 420 & 422, Block No-409/P, Vill-Pipodara, Tal-Mangrol, in Surat District of Gujarat. The manufacturing facility is well connected with near about transport hubs. Our total manufacturing facilities is spread across 12000 sq. mtr. The manufacturing facility is installed with manufacturing capacity of 15000 MT PP non-woven fabric per annum.

Till date, in our existing manufacturing vertical, we have been catering majorly to offshore customers. Since beginning, we derived our revenue from Domestic Market. We also started deemed exporting our products to offshore customers. During last 3 years, we have derived our major revenue from deemed exports from countries namely USA and Canada. Moreover, we also focused on domestic market for products manufactured by us. As on the date of this Draft Prospectus, we derive revenue from domestic sales from states namely Gujarat, Maharashtra, Rajasthan and Silvassa.

In order to increase our capacity, our company is planning for business expansion by adding latest improved version of technology in its pool viz. PP Spun Bond Non-Woven Fabric Manufacturing Line. Our company expect installation and commencement of commercial production by December 2024 thereby adding installed capacity of 3600 MT PP non-woven fabric per annum. For more details, please refer to the chapter titled “Objects of the Issue” beginning from page no. 76 of this Draft Prospectus.

For more details kindly refer our chapter titled “Business Overview” begins from page no. 104 of this Draft Prospectus.

#### Key Performance Indicators of our Company:

(Rs. In Lakhs)

Particulars	As on 30 <sup>th</sup> September, 2024	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
Revenue from Operations <sup>1</sup>	2125.75	4,094.87	2,386.13	8,716.06
Growth in Revenue from Operations (%) <sup>2</sup>	3.82%	71.61%	-72.62%	1.07%
EBITDA <sup>3</sup>	312.35	642.69	160.40	898.91
EBITDA Margin (%) <sup>4</sup>	14.69%	15.70%	6.72%	10.31%
PAT <sup>5</sup>	135.23	239.57	-232.93	191.89
PAT Margin (%) <sup>6</sup>	6.36%	5.85%	-9.76%	2.20%
Net Debt <sup>7</sup>	564.74	1158.26	1751.46	2918.22
Total Equity <sup>8</sup>	1549.74	1414.52	1174.95	1407.88
Average Equity <sup>9</sup>	1482.14	1294.74	1291.41	1328.69
ROE (%) <sup>10</sup>	8.73%	16.94%	-19.82%	13.63%
Capital Employed	2078.52	2616.79	2920.39	4318.70
ROCE (%) <sup>11</sup>	9.56%	13.12%	-4.10%	11.16%
EPS (Basic & Diluted) <sup>12</sup>	1.93	3.42	-3.33	2.74

Note:

(1) Revenue from operation means revenue from sales;

(2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;

(3) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs – Other Income;

(4) EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations;

(5) PAT is calculated as Profit before tax – Taxes;

(6) PAT Margin is calculated as PAT for the period/year divided by Revenue from operations.

(7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance, and Investments.

(8) Total Equity = Equity share capital + Other equity.

(9) Average Equity = (Opening equity + Closing equity)/2

(10) ROE = Net profit after tax / Average equity.

(11) ROCE = Profit before tax and finance cost / Capital employed\*

\*Capital employed = Total Equity + Non-current borrowing + Current Borrowing - Deferred Tax Assets

(12) EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year/ period.

After the date of last Audited accounts i.e., 30<sup>th</sup> September, 2024, the Directors of our Company confirm that, there have not been any significant material development.

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer Restated Financial Statements under chapter titled “Restated Financial Statement” beginning on page no.155 of this Draft Prospectus.

#### Significant Developments after March 31<sup>st</sup>, 2024 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft 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.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page no. 20 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
2. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
3. Our ability to retain and hire key employees or maintain good relations with our workforce;
4. Impact of any reduction in sales of our services/products;
5. Rapid Technological advancement and inability to keep pace with the change;
6. Increased competition in industries/sector in which we operate;
7. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
8. Changes in laws and regulations relating to the Sectors in which we operate;
9. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
10. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
11. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition; and
12. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

## BRIEF FINANCIALS OF OUR COMPANY

(₹ In Lakhs)

Particulars	For the half year ended 30 <sup>th</sup> September		For the year ended March 31,					
	2024		2024		2023		2022	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Revenue from operations	2125.71	99.53	4,094.87	99.61	2,386.13	95.64	8,716.06	99.07
Other Income	9.96	0.47	16.12	0.39	108.84	4.36	82.15	0.93
<b>Total Income</b>	<b>2135.66</b>	<b>100.00</b>	<b>4,110.99</b>	<b>100.00</b>	<b>2,494.97</b>	<b>100.00</b>	<b>8,798.22</b>	<b>100.00</b>
<b>EXPENDITURE</b>								
Cost Of Material Consumed	749.89	35.11	1,093.31	26.59	508.96	20.40	5,424.50	61.65
Purchase of stock in trade	-	-	-	-	-	-	-	-
Changes In Inventories	(8.21)	(0.38)	115.73	2.82	81.07	3.25	-115.00	-1.31
Employees Benefits Expenses	333.61	15.62	685.73	16.68	603.12	24.17	837.77	9.52
Finance Costs	24.21	1.13	73.21	1.78	106.32	4.26	236.71	2.69
Depreciation And Amortization Expense	123.65	5.79	315.52	7.67	389.01	15.59	499.20	5.67
Other Expenses	738.06	34.56	1,557.41	37.88	1,032.58	41.39	1,669.88	18.98
<b>TOTAL EXPENSES</b>	<b>1961.20</b>	<b>91.83</b>	<b>3,840.91</b>	<b>93.43</b>	<b>2,721.06</b>	<b>109.06</b>	<b>8,553.06</b>	<b>97.21</b>
<b>Profit Before Tax</b>	<b>174.46</b>	<b>8.17</b>	<b>270.08</b>	<b>6.57</b>	<b>-226.09</b>	<b>-9.06</b>	<b>245.16</b>	<b>2.79</b>
<b>Tax Expenses</b>								
Current Tax	43.91	2.06	49.89	1.21	-	-	82.41	0.94
Tax relating to previous year	0.02	0.001	-	-	-	-	-	-
Deffered Tax (Liabilities) / Assets	(4.70)	0.22	(19.38)	-0.47	6.84	0.27	-29.15	-0.33
<b>Profit After Tax</b>	<b>135.23</b>	<b>6.33</b>	<b>239.57</b>	<b>5.83</b>	<b>-232.93</b>	<b>-9.34</b>	<b>191.89</b>	<b>2.18</b>

## **Review of Financial Performance for The Period Ended September 30, 2024**

### **1. INCOME:**

**Total Revenue:** During the period ended September 30, 2024, the company's total revenue was Rs. 2135.66 Lakhs which includes Rs. 2125.71 Lakhs as revenue from operations and Rs. 9.96 Lakhs as other Income.

**Revenue from Operations:** During the period ended September 30, 2024, the company's revenue from operations was Rs. 2125.71 Lakhs which includes mainly revenue from PP Spunbond Nonwoven Fabric.

**Other Income:** During the period ended September 30, 2024, the company's other income was Rs. 9.96 Lakhs which mainly includes interest income.

### **2. EXPENSES:**

**Total Expenses:** During the period ended September 30, 2024, the company's total expenses was Rs. 1961.20 Lakhs which mainly includes cost of material consumed, employee benefit expenses, depreciation and amortization and other expenses,

**Cost of materials consumed:** During the period ended September, 2024, the company's cost of materials consumed was Rs. 749.89 Lakhs which majorly includes materials purchased for manufacturing of PP Spunbond Nonwoven Fabric.

**Purchase of Trading Goods:** During the period ended September 30, 2024, there was no purchases of stock in trade.

**Change in Inventories:** During the period ended September 30, 2024, the company's changes in inventories was Rs. (8.21) Lakhs.

**Employee Benefits Expense:** During the period ended September 30, 2024, the company's Employee Benefit Expenses was Rs. 333.61 Lakhs which mainly includes salaries and wages which includes Director's remuneration.

**Finance cost:** During the period ended September 30, 2024, the company's finance cost was Rs. 24.21 Lakhs which mainly includes interest and finance charges.

**Depreciation and Amortization Expense:** During the period ended September 30, 2024, the company's Depreciation and Amortization was Rs. 123.65 Lakhs.

**Other Expenses:** During the period ended September 30, 2024, the company's other expenses was Rs. 738.06 Lakhs which includes power and fuel, freight charges, loading and unloading charges and rent expenses.

### **3. PROFIT:**

**Profit/ (Loss) Before Tax:** During the period ended September 30, 2024 the Restated Profit Before Tax is Rs. 174.46 Lakhs.

**Profit/ (Loss) After Tax:** During the period ended September, 2024, the restated Profit After Tax is Rs. 135.23 Lakhs.

## **Comparison of Financial Performance of Fiscal 2024 with Fiscal 2023**

The following descriptions set forth information with respect to the key components of our profit and loss statement.

### **1. INCOME:**

**Total Revenue:** During FY 2023-24, the company's revenue from operations and other income increased to ₹4110.99 Lakhs, from the amount of ₹2494.97 Lakhs recorded in FY 2022-23. The increase in the year 2024 was due to change in the business model from manufacturing to Job Work and also due to recovery of business lost in the FY 2022-23 due to recession in the real estate sector in USA and Canada which are the two countries where we made most of our sales directly or indirectly. The major increase in sales is because of increase in sales to one of our major customer from ₹1706.14 lakhs in FY 22-23 to ₹3338.44 in the FY 2023-24.



## 2. EXPENSES:

**Total Expenses:** The total expenditure for FY 2023-24 has been increased to ₹ 3840.91 Lakhs as against ₹ 2721.06 Lakhs in FY 2022-23. This increase was mainly due to increase in cost of material consumed and other expenses.

**Cost of Material Consumed and Changes in Inventories:** Cost of Material consumed and Changes in Inventories for FY 2023-24 have increased to ₹1209.04 Lakhs, from the amount of ₹ 590.03 Lakhs in FY 2022-23. This was mainly due to due to increase in purchase of raw material during the year.

**Employee Benefits Expense:** The Employee Benefit Expenses for FY 2023-24 have increased to ₹ 685.73 Lakhs, from the amount of ₹ 603.12 Lakhs in FY 2022-23. This was mainly due increase in Director's remuneration.

**Finance Cost :** The Finance Cost for the FY 2023-2024 have decreased to ₹73.21 Lakhs as against ₹106.32 Lakhs in the FY 2022-23. This was mainly due to repayment of long term and short term borrowings.

**Depreciation and Amortization Expense:** The Depreciation and Amortization Expenses for FY 2023-24 have decreased to ₹ 315.52 Lakhs, from the amount of ₹389.01 Lakhs in FY 2022-23. This was mainly due sale of plant and machinery.

**Other Expenses:** The Other Expenses for the FY 2023-2024 have increased to ₹1557.41 Lakhs as against to ₹ 1032.58 Lakhs in the FY 2022-23. This increase was majorly due to increase in Power and fuel consumption, freight and loading charges and increase in commission expenses.

## 3. PROFIT:

**Profit/ (Loss) Before Tax:** The Restated Profit Before Tax for FY 2023-24 has been significantly increased to ₹ 270.08 Lakhs as against Loss of ₹ 226.09 Lakhs in the FY 2022-23.

**Profit/ (Loss) After Tax:** The restated Profit After Tax for FY 2023-24 has been significantly increased to ₹ 239.57 Lakhs as against loss of ₹ 232.93 Lakhs in the FY 2022-23. This was mainly due to change in the business model from only manufacturing to Job work also during the fiscal year. The increase in sales is also a major reason for the increase in profits since the fixed cost is not proportionately increased with the increase in the revenue from operations.

### Comparison of Financial Performance of Fiscal 2023 with Fiscal 2022

The following descriptions set forth information with respect to the key components of our profit and loss statement.

#### 1. INCOME:

**Total Revenue:** During FY 2022-23 the revenue from operation and other income of the company decreased significantly to ₹ 2386.13 Lacs as against ₹ 8716.06 Lacs in FY 2021-22.

This decrease was mainly due to reduction in consumption of our products majorly in the territories of USA and Canada Market. During the F.Y. 2021-22, we had directly dispatched more than 70 containers resulting in Revenue of ₹ 1227.88 lakhs in the USA and Canada Market and sold our total Products worth ₹ 7,360.59 Lakhs during the F.Y. 2021-22 to Indian entities whose final products were directly or indirectly consumed by USA and Canada Market. As against that, during the F.Y. 2022-23, our Company had directly dispatched only 7 containers resulting in Revenue of ₹ 55.20 Lakhs in the USA and Canada Market and sold our total Products worth ₹ 2312.84 Lakh during F.Y. 2022-23 to Indian entities whose final products were directly or indirectly consumed by USA and Canada Market.

The main reason for downfall in direct supply to USA and Canada Market during F.Y. 2022-23, was decrease in supply to one of our major customer from Rs. 1162.29 Lakhs in FY 2021-22 to 21.26 Lakhs in the FY 2022-23. On the other hand, the Company had also faced major revenue loss from three of its Major Domestic Customers to whom we had almost supplied our products worth ₹ 6032.39 Lakh. We had only supplied our Products worth ₹ 241.28 Lakh to them during F.Y. 2022-23.

During the financial year 2022-23, the Company could not source major orders from its customers due to increase in freight cost (shipping container charges), on the other hand after the COVID-19 outbreaks, overall USA and Canada Market faced huge challenges impacting overall market of non-woven fabrics. Since, the products of the Company are totally consumed by USA and Canada Market, we were much dependable up on the shipping container charges. Sudden

hike in the cost of shipping container charges resulted into drastic decrease in demand of our Products and which resulted into decrease in turnover of the Company by almost 72.62% during F.Y. 2022-23 as against that of during F.Y. 2021-22.

## 2. EXPENSES:

**Total Expenses:** The total expenditure for FY 2022-23 decreased to ₹ 2721.06 Lakhs as against ₹ 8553.06 Lakhs in FY 2021-22. This increase was mainly due to decrease in revenue from operations which results in decrease in cost of material consumed.

**Cost of Material Consumed and Changes in Inventories:** Cost of Material consumed and Changes in Inventories for FY 2022-23 have decreased to ₹ 590.03 lakhs, from the amount of ₹ 5309.5 Lakhs in FY 2021-22. This was mainly due to decrease in manufacturing of goods.

**Employee Benefits Expense:** The Employee Benefit Expenses for FY 2022-23 have decreased to ₹603.12 Lakhs, against the amount of ₹ 837.77 Lakhs in FY 2021-22. This was mainly due to decrease in Director's remuneration and staff salary.

**Finance cost:** The Finance Cost for the FY 2022-2023 have decreased to ₹ 106.32 Lakhs as against ₹ 236.71 Lakhs in the FY 2021-22. This decrease was mainly due to repayment of long term and short term borrowings.

**Depreciation and Amortization Expense:** The Depreciation and Amortization Expenses for FY 2022-23 have decreased to ₹ 389.01 Lakhs, from the amount of ₹ 499.20 Lakhs in FY 2021-22. This was mainly due sale of Plant and Machinery.

**Other Expenses:** The Other Expenses for the FY 2022-2023 decreased to ₹ 1032.58 Lakhs as against ₹ 1669.88 Lakhs in the FY 2021-22. This was mainly due to less operational and administrative expenses due to decrease in business operations which resulted in decrease in variable costs.

## 3. PROFIT:

**Profit/ (Loss) Before Tax:** The Restated Loss for FY 2022-23 was ₹ 226.09 Lakhs as against Profit before tax of ₹ 245.16 Lakhs in the FY 2021-22.

**Profit/ (Loss) after Tax:** The Restated Loss for FY 2022-23 was ₹ 232.93 Lakhs as against Profit of ₹ 191.89 Lakhs in the FY 2021-22. The main reason for decrease in profit and resulting in loss was due to drastic decrease in revenue from operations. Even though there is decrease in revenue from operations, the Company had to bear certain fixed expenses like Staff salary and welfare expense, Interest Cost, Power and Fuel and Depreciation & Amortization Expense. Moreover, even though there is decrease in revenue, the Company had not retrenched any of its employee. Certain major plant and machinery requires more time for heating while starting and shut downing which is almost 12 hours due to which though, there was under utilization of capacity, power and fuel cost of the Company remained almost constant during the F.Y. 2022-23 as against F.Y. 2021-22. Fixed cost like Finance Cost and Depreciation & Amortization Expense also remained almost constant during the F.Y. 2022-23 as against F.Y. 2021-22. Accordingly, major revenue loss and on contrary constant fixed expenses resulted into loss of ₹ 232.93 Lakh during the F.Y. 2022-23.

## CASH FLOWS:

(₹ In Lakhs)

Particulars	For 30 <sup>th</sup> September	For the Year ended March 31 <sup>st</sup>		
	2024	2024	2023	2022
Net Cash from Operating Activities	1448.89	610.81	695.00	855.41
Net Cash from Investing Activities	(831.16)	55.60	578.08	(665.70)
Net Cash from Financing Activities	(693.01)	(597.01)	(1,278.54)	(176.75)

### Cash Flows from Operating Activities

Net cash inflow from operating activities for the half year ended 30th September, 2024 was at ₹1448.89 Lakhs as compared to the Profit Before Tax at ₹ 174.76 Lakhs. This was primarily due to increase in trade payables.

Net cash inflow from operating activities for year ended 31<sup>st</sup> March, 2024 was at ₹ 610.81 Lakhs as compared to the Profit Before Tax at ₹ 270.08 Lakhs. This was primarily due to Depreciation and decrease in inventory.

Net cash inflow from operating activities for year ended 31<sup>st</sup> March, 2023 was at ₹ 695.00 Lakhs as compared to the Loss of ₹ 226.09 Lakhs. This was primarily due to depreciation, Finance cost and decrease in trade receivables and inventory.

Net cash inflow from operating activities for year ended 31<sup>st</sup> March, 2022 was at ₹ 855.41 Lakhs as compared to the Profit Before Tax at ₹ 245.16 Lakhs. This was primarily due to depreciation, Finance cost and decrease in inventory and trade receivable.

#### ***Cash Flows from Investment Activities***

For the year half year ended 30<sup>th</sup> September, 2024, net cash outflows from Investing Activities were ₹ 831.16 Lakhs. This was mainly on account of capital work in progress.

For the year ended 31<sup>st</sup> March, 2024, net cash inflows from Investing Activities were ₹ 55.60 Lakhs. This was mainly on account of net sale of Plant and Machinery.

For the year ended 31<sup>st</sup> March, 2023, net cash inflows from Investing Activities were ₹ 578.08 Lakhs. This was mainly on account of net sale of Plant and Machinery.

For the year ended 31<sup>st</sup> March, 2022, net cash outflows from Investing Activities were ₹ 665.70 Lakhs. This was mainly on account of Purchase of Plant and Machinery.

#### ***Cash Flows from Financing Activities***

For the half year ended 30<sup>th</sup> September, 2024, net cash outflow from financing activities was ₹ 693.01 Lakhs. This was primarily on account repayment of long term borrowings.

For the year ended 31<sup>st</sup> March, 2024, net cash outflow from financing activities was ₹ 597.01 Lakhs. This was primarily on account repayment of long term borrowings and working capital CC facility.

For the year ended 31<sup>st</sup> March, 2023, net cash outflow from financing activities was ₹ 1278.54 Lakhs. This was primarily on account of repayment of long term borrowings and working capital CC facility.

For the year ended 31<sup>st</sup> March, 2022, net cash outflow from financing activities was ₹ 176.75 Lakhs. This was primarily on account of repayment of long term borrowings and proceeds from working capital CC facility.

#### **Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

##### ***1. Unusual or infrequent events or transactions.***

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

##### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

Except for any change in economic policy affecting service industry in India, there are no other significant economic changes that may materially affect or 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 sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “Risk Factors” beginning on page no. 200 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

##### ***4. Future changes in relationship between costs and revenues.***

Our Company’s future costs and revenues will be determined by growth of industry in which we operate.

***5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices.***

Increases in revenues are by and large linked to increases in volume of our business.

***6. Status of any publicly announced New Products or Business Segment.***

Our Company has not announced any new products.

***7. Seasonality of business.***

The nature of business is not seasonal.

***8. Competitive conditions.***

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Business Overview*” beginning on pages no.95 and 104, respectively of the Draft Prospectus.

***9. Details of material developments after the date of last balance sheet i.e. September 30th, 2024.***

Except as mentioned in this Draft Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

**STATEMENT OF FINANCIAL INDEBTEDNESS**

The Company has availed loans and financing facilities in the ordinary course of business for meeting working capital and business requirements.

The details of the indebtedness of the Company as on December 31<sup>st</sup>, 2024 is provided below:

(Rs. in Lakhs)

Nature of Borrowings	December 31 <sup>st</sup> , 2024
Secured Borrowings (fund based)	1146.63
Unsecured Borrowings	291.58
<b>Total</b>	<b>1438.21</b>

**A. SECURED**

(Rs. in Lakhs)

Sr. No.	Name of Institution	Sanction Amount (₹ in Lakhs)	Nature of Facility	Amount o/s as on December 31, 2024 (₹ In Lakhs)	Interest Rate per annum	Security/Margin		Period of Repayment
						Security/Principal terms and conditions	Security Provider	
1.	ICICI Bank Limited	300.00	Term Loan	NIL	Sum of IMCLR-6M and 'spread' per annum, subject to minimum of IMCLR-6M, plus applicable interest tax or other statutory levy, if any, on the principal amount of the loans remains outstanding each day.	<p><b>Immovable Fixed Assets</b> Block No. 414, Plot No. 49 to 55, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, Gujarat, india, 394110.</p> <p>Block No. 414, 58 to 64, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, surat, Gujarat, india, 394110.</p> <p>Block No 358, Old Block No 195, Nandlav Village Road NH road no 48,</p>	<p>Ashvinkumar Boda, Makanbhai Patel, Pravinkumar Dhanani</p> <p>Patel Textiles, Pravinbhai Dhanani</p> <p>Mr. Ashvinkumar Boda, Mr. PravinKumar Dhanani, Mr. ChetanKumar Patel, Mr. Suresh Gajera, Mr. Dhansukhbhai Kakadia</p> <p>Scap Techno fab Pvt. Ltd.</p> <p>Scap Techno Fab Pvt. Ltd.</p>	5 years (from date of first disbursement to last repayment date) Principal amount of each tranches is to be repaid in 60 months of disbursement, amount is to be repaid in equal monthly installments commencing from 1 <sup>st</sup> day of month next to disbursement.

Sr. No.	Name of Institution	Sanction Amount (₹ in Lakhs)	Nature of Facility	Amount o/s as on December 31, 2024 (₹ In Lakhs)	Interest Rate per annum	Security/Margin		Period of Repayment
						Security/Principal terms and conditions	Security Provider	
						Nandlav, Mangrol, Surat, Gujarat, India, 395006 <b>Movable Fixed Assets Current Assets</b>		
2.	ICICI Bank Limited	600.00	Term Loan	28.42	Sum of I-MCLR-1Y + 'spread' per annum, subject to minimum of MCLR-1Y + 'spread', plus applicable interest tax or other statutory levy, if any.	<b>Immovable Fixed Assets</b> Block No. 414 , Plot No. 49 to 55, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, Surat, gujarat, india, 394110  Block No. 414 , 58 to 64,, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, surat, gujarat, india, 394110  Block No 358, Old Block No 195, Nandlav Village Road NH road no 48, Nandlav, ,	Ashvinkumar Boda, Makanbhai Patel, Pravinkumar Dhanani  Patel Textiles,Pravin bhai Dhanani  Mr. Ashvinkumar Boda, Mr. PravinKumar Dhanani, Mr. ChetanKumar Patel, Mr. Suresh Gajera, Mr. Dhansukhbhai	5 years (from date of first disbursement to last repayment date) Principal amount of each tranches is to be repaid in 60 months of disbursement. amount is to be repaid in equal monthly installments commencing from 1 st day of month next to disbursement

Sr. No.	Name of Institution	Sanction Amount (₹ in Lakhs)	Nature of Facility	Amount o/s as on December 31, 2024 (₹ In Lakhs)	Interest Rate per annum	Security/Margin		Period of Repayment
						Security/Principal terms and conditions	Security Provider	
						Mangrol, Surat, Gujarat, India, 395006  <b>Movable Fixed Assets</b>  <b>Current Assets</b>	Kakadia  Scap Techno Fab Pvt. Ltd.  Scap Techno Fab Pvt. Ltd.	
3.	ICICI Bank Limited	660.00	Term loan	63.92	Sum of Repo Rate and 'spread' per annum, plus applicable interest tax or other statutory levy, if any, on the principal amount of the loans remains outstanding each day.	<b>Immovable Fixed Assets</b> Block No. 414 , Plot No. 49 to 55, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, Gujarat, india, 394110  Block No. 414 , 58 to 64,, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, surat, gujarat, india, 394110  Block No 358, Old Block No 195, Nandlav Village Road NH road no 48,	Ashvinkumar Boda, Makanbhai Patel, Pravinkumar Dhanani  Patel Textiles, Pravinbhai Dhanani  Mr. Ashvinkumar Boda, Mr. PravinKumar Dhanani, Mr. ChetanKumar Patel, Mr. Suresh Gajera, Mr. Dhansukhbhai Kakadia  Scap Techno Fab Pvt. Ltd.  Scap Techno Fab Pvt. Ltd.	5 years (from date of first disbursement to last repayment date) Principal amount of each tranches is to be repaid in 60 months of disbursement. amount is to be repaid in equal monthly installments commencing from 1st day of month next to disbursement



Sr. No.	Name of Institution	Sanction Amount (₹ in Lakhs)	Nature of Facility	Amount o/s as on December 31, 2024 (₹ In Lakhs)	Interest Rate per annum	Security/Margin		Period of Repayment
						Security/Principal terms and conditions	Security Provider	
						Nandlav, Mangrol, Surat, Gujarat, India, 395006  <b>Movable Fixed Assets</b>  <b>Current Assets</b>		
4.	ICICI Bank Limited	1000.00	CC	359.41	Sum of Repo Rate and 'spread' per annum, plus applicable statutory levy, if any ('Interest Rate'), and shall be charged on the principal amount of the loans remains outstanding each day.	<b>Immovable Fixed Assets</b> Block No. 414, Plot No. 49 to 55, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, Gujarat, india, 394110  Block No. 414, 58 to 64, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, Gujarat, india, 394110  Block No 358, Old Block No 195, Nandlav Village Road NH road no 48, Nandlav, Mangrol, Surat, Gujarat,	Ashvinkumar Boda, Makanbhai Patel, Pravinkumar Dhanani  Patel Textiles, Pravinbhai Dhanani  Mr. Ashvinkumar Boda, Mr. PravinKumar Dhanani, Mr. ChetanKumar Patel, Mr. Suresh Gajera, Mr. Dhansukhbhai Kakadia  Scap Techno Fab Pvt. Ltd.  Scap Techno Fab Pvt. Ltd.	On demand

Sr. No.	Name of Institution	Sanction Amount (₹ in Lakhs)	Nature of Facility	Amount o/s as on December 31, 2024 (₹ In Lakhs)	Interest Rate per annum	Security/Margin		Period of Repayment
						Security/Principal terms and conditions	Security Provider	
						India, 395006  <b>Movable Fixed Assets</b>  <b>Current Assets</b>		
5.	ICICI Bank Limited	147.77	Working Capital Term Loan under ECLGS	Nil	I-EBLR is 7.7 and Spread is 0.55	<p>Block No. 414 , Plot No. 49 to 55, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, Gujarat, india, 394110.</p> <p>Block No. 414 , 58 to 64, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, surat, Gujarat, india, 394110.</p> <p>Block No 358, Old Block No 195, Nandlav Village Road NH road no 48, Nandlav, Mangrol, Surat, Gujarat, India, 395006.</p> <p><b>Movable Fixed Assets</b></p>	<p>Ashvinkumar Boda, Makanbhai Patel, Pravinkumar Dhanani Patel Textiles, Pravinbhai Dhanani</p> <p>Mr. Ashvinkumar Boda, Mr. PravinKumar Dhanani, Mr. ChetanKumar Patel, Mr. Suresh Gajera, Mr. Dhansukhbhai Kakadia</p> <p>Scap Techno Fab Pvt. Ltd.</p> <p>Scap Techno Fab Pvt. Ltd.</p>	Principal outstanding amount to be repaid in 36 (thirty six) equal monthly instalments after the expiry of the Moratorium Period.

Sr. No.	Name of Institution	Sanction Amount (₹ in Lakhs)	Nature of Facility	Amount o/s as on December 31, 2024 (₹ In Lakhs)	Interest Rate per annum	Security/Margin		Period of Repayment
						Security/Principal terms and conditions	Security Provider	
						<b>Current Assets</b>		
6.	ICICI Bank Limited	14.90	Car Loan	2.90	7.9% per annum	Hypothecation of Car	-	60 Monthly Installments
7.	ICICI Bank Limited	25.00	Car Loan	25.00	7.9% per annum	Hypothecation of Car	-	60 Monthly Installments
8.	ICICI Bank Limited	678.28	Term loan(New Machine)	666.98	Sum of Repo Rate and 'spread' per annum, plus applicable interest tax or other statutory levy, if any, on the principal amount of the loans remains outstanding each day.	<b>Movable Fixed Assets</b>  <b>Immovable Fixed Assets</b> Block No. 414, 58 to 64,, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, surat, gujarat, india, 394110  Block No 358, Old Block No 195, Nandlav Village Road NH road no 48, Nandlav,, Mangrol, Surat, Surat, Gujarat, India, 395006  Block No. 414, Plot No.	Scap Techno Fab Limited  Patel Textile,Pravin kumar Dhanani  Ashvinkumar D Boda,Pravin kumar dhanani,Chetan patel,Suresh gajera,Dhansukhbhai N Kakadiya  Ashvinkumar D Boda,Makanbhai	5 years (from date of first disbursement to last repayment date) Principal amount of each tranches is to be repaid in 60 months of disbursement. amount is to be repaid in equal monthly installments commencing from 1 st day of month next to disbursement

Sr. No.	Name of Institution	Sanction Amount (₹ in Lakhs)	Nature of Facility	Amount o/s as on December 31, 2024 (₹ In Lakhs)	Interest Rate per annum	Security/Margin		Period of Repayment
						Security/Principal terms and conditions	Security Provider	
						49 to 55, Opp Bhagyoday Hotel, Behind Sai Service Center, Pipodara, Kim, Mangrol, surat, Surat, gujarat, india, 394110  Fixed Deposit (Others)  Current Assets	G Patel,Pravin kumar Dhanani  Scap Techno Fab Limited  Scap Techno Fab Limited	

**B. UNSECURED**

(Rs. in Lakhs)

Name of Lender	Purpose	Rate of Interest	Amount Outstanding as on December 31 <sup>st</sup> , 2024	Re-Payment Schedule
<b>Promoters &amp; Promoter Group</b>				
Ashwinkumar Damjibhai Boda	Unsecured Loan	9.00%	52.23	Terms of repayment not specified
Babubhai N. Gajera	Unsecured Loan	0.00%	32.60	Terms of repayment not specified
Hinaben Pravinchandra Dhanani	Unsecured Loan	0.00%	5.45	Terms of repayment not specified
Pravinbhai S.Dhanani (Patel Texo)	Unsecured Loan	0.00%	17.41	Terms of repayment not specified
Sureshbhai B. Gajera (HUF)	Unsecured Loan	0.00%	33.88	Terms of repayment not specified
Sureshbhai Babubhai Gajera	Unsecured Loan	0.00%	150.00	Terms of repayment not specified
<b>Total</b>			<b>291.58</b>	

## CAPITALIZATION STATEMENT

### Statement of Capitalization

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term Debt (A)	154.90	154.90
Long Term Debt (B)	420.83	420.83
<b>Total debts (C = A+B)</b>	<b>575.74</b>	<b>575.74</b>
<b>Shareholders' funds</b>		
Equity share capital	700.00	954.00
Reserve and surplus - as restated	849.75	2,322.95
<b>Total shareholders' funds</b>	<b>1,549.75</b>	<b>3,276.95</b>
<b>Long term debt / shareholders' funds</b>	0.27	0.13
<b>Total debt / shareholders' funds</b>	0.37	0.18

**Note:**

- The amount disclosed above are based on the restated financial statements of assets and liabilities as at September 30, 2024.

## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoter or Group Company. Our Board, in its meeting held on 03<sup>rd</sup> August, 2023, determined that all pending litigation involving our Company, holding, Subsidiary, Directors, Promoter and Group Company, other than criminal proceedings and statutory or regulatory actions, disciplinary actions including penalty imposed by SEBI or stock exchanges, claims related to direct and indirect taxes, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of total revenue ("Material Litigation").

As per the materiality policy adopted by the Board of our Company in its meeting held on 21<sup>st</sup> October, 2023, related to creditors of our Company the outstanding dues to creditors in creditors exceeding 5% of the Company's trade payables for the last audited financial statements shall be considered as material dues for the Company. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at <https://tbicorn.com/index.php/home/>.

Our Company, Directors, Promoter and Group Company are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES:**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

##### **1) Litigation involving Civil Laws**

As on date there are no issues with regards to civil liability on the part of Company except the following:

S. No.	Details	Amount Involved
1.	<p><i>In The Labour Court Surat at Gujarat</i> WC FATAL LC - W.C. Application Fatal 19/2022: SCAP TECHNO FAB PRIVATE LIMITED Versus</p> <p>1) Neelu Baliram (Wife) of Baliram Heirs who died in the Accident 2) Ramprasad Baliram 3) Khushbusinh Baliram 4) Sumitsinh Baliram</p> <p>Versus</p> <p>1. Owner/Manager Shri. Scrap Techno Fab Pvt. LTD 2. The New India Assurance Company Limited</p> <p>Case Summary: The complainant's husband, Mr. Bharat Singh, an employee of Scap Techno Fab Pvt. Ltd., sustained fatal injuries on 7th September 2021 due to alleged workplace negligence. Despite treatment at Civil Hospital, he passed away on 11th September 2021. The complainant claims the company's failure to maintain safety measures caused the incident and seeks compensation for the loss of life and livelihood, holding the employer accountable for workplace safety violations.</p>	INR 8,71,704/-



	<p>Status: The Company has made the payment of INR 7,70,000/- on 23<sup>rd</sup> January, 2025 in favour of Labour Court Surat as a full and final settlement.</p> <p>The case is currently pending before the court, with the next hearing scheduled for January 29, 2025.</p>	
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**2) Litigation involving Criminal Laws**

As on date there are no issues with regards to criminal liability on the part of company.

**3) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date there are no litigations with regards to Statutory/Regulatory Authorities on the part of Company.

**4) Disciplinary Actions by Authorities**

As on date there are no issues with regards to Disciplinary Actions on the part of Company.

**5) Litigation involving Tax Liability**

Direct Tax – As on date there is no outstanding demand of Income Tax and other Direct Taxes against the Company, except the following;

S. No.	Details	Amount Involved
1	Issue Notice u/s 133 for AY 2020-21 for calling of information.	Response submitted by company on 12.07.2023.
2	Defective Notice u/s 139(9) for AY 2012-13	Return processed on 25.07.2014

Indirect Tax – As on date there is no outstanding demand of Indirect Taxes against the Company. However, Company was found to be the part of following matter in the preceding one year;

S. No.	Details	Amount Involved
1	Notice for intimating discrepancies in return in Form GST ASMT-10	Company has filed the response on 20.02.2024.
2	Notice for conducting Audit u/s 65(3) (GSTADT-01)	Company has submitted response on 14.07.2023, regarding acceptance and paid the taxes.

**6) Other Pending Litigation based on Materiality Policy of our Company**

S. No.	Details	Amount Involved
		Nil

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

As on date there are no issues with regards to criminal liability on the part of Company.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date there are no litigations with regards to Statutory/Regulatory Authorities on the part of Company.

**3) Disciplinary Actions by Authorities**

As on date there are no issues with regards to Disciplinary Actions on the part of Company.

**4) Litigation involving Tax Liability**

Direct Tax – As on date there are no issues of Income Tax and other Direct Taxes on the part of Company.

Indirect Tax – As on date there are no issues of Indirect Taxes on the part of the Company.

**5) Other Pending Litigation based on Materiality Policy of our Company: NIL**

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

Particulars	By Directors, and KMPs	Against Directors, and KMPs
Civil Proceedings	NIL	NIL
Criminal Proceedings	NIL	NIL
<b>Tax Proceedings</b>		
Direct Tax	NIL	Yes
Indirect Tax	NIL	NIL
Other Proceedings	NIL	NIL

**1) Litigation involving Criminal Laws**

As on date there are no issues with regards to criminal liability on the part of Directors/KMPs.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date there are no litigations with regards to Statutory /Regulatory Authorities on the part of Directors/KMP's.

**3) Disciplinary Actions by Authorities**

As on date there are no issues with regards to Disciplinary Actions on the part of Directors/KMPs.

**4) Litigation involving Tax Liability**

**Direct Tax-** As on date there is no outstanding demand of Income Tax and other Direct Taxes against the Directors/KMPs.

S. No.	Name of the Person	Details	Amount Involved
1	Mr. Sureshkumar Babubhai Gajera	Demand Order for A.Y. 2016-17 raised on 27/12/2018.	INR 7,48,880/- (Filed an appeal against the order.)
2	Mr. Chetankumar Makanbhai Patel	Adjustment Notice u/s 143(1)(a) for addition of salary income as per 26AS for A.Y. 2017-18.	INR 19200/- Return Processed with no demand on 20-09-2018.
3	Mr. Ashwinbhai Damjibhai Boda	Adjustment Notice u/s 143(1)(a) for addition of salary income as per 26AS for A.Y. 2017-18.	INR 30,00,000/- Rectification filed on 12-04-2019 and return processed.
4	Mr. Nareshkumar Parshottambhai Lakhani	Demand Notice u/s 143(1) for A.Y. 2021-22 vide Notice Ref. No. 2022202137062900040T issued on 12-04-2022.  Notice Under Section 139(9) vide Notice Ref. No. CPC/1718/G5/1801540731 for A.Y. 2017-18. Status = Pending, However Return Processed with Refund credited to Bank A/c on 07-11-2024.	Rs. 528/-  NIL

**Indirect Tax** – As on date there is no outstanding demand of Indirect Taxes against the Directors/KMPs.

**5) Other Pending Litigation based on Materiality Policy of our Company**

As on the date there are no other issue on the part of Directors/KMPs.

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES/HOLDING COMPANIES**

As on date there is no holding/subsidiary company of SCAP TECHNO FAB LIMITED

**PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES**

Following are the Group Companies of the Company as on date:

- Scap Specialized Material Private Limited
- Scap Tex Coat Private Limited

Particulars	By the Company	Against the Company
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
Tax Proceedings:		
- Direct Tax	Nil	Nil
- Indirect Tax	Nil	Nil
Other Proceedings	Nil	Nil

**A. FILED AGAINST THE GROUP COMPANIES**

**1) Litigation Involving Criminal Laws**

As on date there are no issues with regards to criminal liability on the part of the group Companies.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date there are no litigations with regards to Statutory/Regulatory Authorities on the part of the group Companies.

**3) Disciplinary Actions by Authorities**

As on date there are no issues with regards to Disciplinary Actions on the part of the group Companies.

**4) Litigation Involving Tax Liability**

**Direct Tax** – As on date there is no outstanding demand of Income Tax and other Direct Taxes against the group Companies.

**Indirect Tax** – As on date there is no outstanding demand of Indirect Taxes against the group Companies.

**5) Other Pending Litigation Based On Materiality Policy Of the Group Companies: NIL**

**B. CASES FILED BY THE GROUP COMPANIES**

**1) Litigation Involving Criminal Laws**

As on date there are no issues with regards to criminal liability on the part the group Companies.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date there are no litigations with regards to Statutory/Regulatory Authorities on the part of the group Companies.

### 3) Disciplinary Actions by Authorities

As on date there are no issues with regards to Disciplinary Actions on the part of the group Companies.

### 4) Litigation Involving Tax Liability

Direct Tax – As on date there are no issues of Income Tax and other Direct Taxes on the part of the group Companies.

Indirect Tax – As on date there are no issues of Indirect Taxes on the part of the group Companies.

### 5) Other Pending Litigation Based On Materiality Policy Of the Group Companies: NIL

#### **MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page no.158 there have been no material developments that have occurred after the Last Balance Sheet Date.

#### **OUTSTANDING DUES TO SMALL SCALE UNDRTAKING OR ANY OTHER CREDITORS**

In terms of the Materiality Policy of the Company, Company has 3 material creditor, as on September 30<sup>th</sup>, 2024.

Particulars	No. of Creditors	Amount (in Lakhs)
Outstanding dues to material creditors	3	773.21
Outstanding dues to small scale undertakings	Nil	Nil
Outstanding dues to other creditors	43	47.97
<b>Total outstanding dues</b>	<b>46</b>	<b>821.18</b>

There are no findings/observations of any of the inspections by SEBI or any other regulator which are material, and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our business requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various rules and regulations. Set out below are the indicative list of all material approvals, licenses, registrations, and permits obtained by our Company, which are necessary for undertaking our business.*

*In view of such material approvals, our Company can undertake the Issue and its current business activities as disclosed in this Draft Prospectus. In addition, certain of our key approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submit in accordance with applicable requirements and procedures, as necessary.*

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, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **A. APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION**

1. Certificate of Incorporation dated September 24, 2011 from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, under the Companies Act, 1956 as "Scap Techno Fab Private Limited".
2. Certificate of change of name of the Company from "Scap Techno Fab Private Limited" to "Scap Techno Fab Limited" dated May 19, 2023 issued by the ROC upon the conversion of the Company from Private Limited Company to Public Limited Company.
3. Our Company has allotted a corporate identification number: U17120GJ2011PLC067249.

### **B. APPROVALS IN RELATION TO THE ISSUE**

#### **I. CORPORATE APPROVALS**

1. Subject to the approval by the shareholders of our Company, our Board of Directors has, pursuant to resolutions passed at its meeting held on July 24, 2023, authorized this Issue under section 62(1)(c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated August 01, 2023, authorized this Issue under Section 62(1)(c) of the Companies Act, 2013.

#### **II. APPROVALS FROM STOCK EXCHANGE**

1. Our Company has received in-principle listing approval from the Emerge Platform of National Stock Exchange of India Limited dated [●] for listing of Equity Shares issued pursuant to this issue.

#### **III. OTHER APPROVALS**

1. The Company has entered into a tripartite agreement dated April 12, 2023 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated March 16, 2023 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

### **C. APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:**

#### **I. BUSINESS RELATED APPROVALS:**

Sr. No.	Description	Registration / License/Membership No.	Issuing Authority / Agency	Date / Month of Issue	Date of Expiry
1.	Certificate of Factory License as per Factories	Registration no.: 3286/17299/2012	Directorate Industrial Safety & Health,	August 02, 2012	December 31, 2025

Sr. No.	Description	Registration / License/Membership No.	Issuing Authority / Agency	Date / Month of Issue	Date of Expiry
	Act, 1948.(Registered Office, Block No.: 414)	License No.: 18162	Gujarat State		
2.	Certificate of Factory License as per Factories Act, 1948. (Factory Unit Block No. 358)	Registration no.: 5390/13999/2021 License No.: 45226	Directorate Industrial Safety & Health, Gujarat State	January 01, 2021	December 31, 2026
3.	Certificate of Factory License as per Factories Act, 1948. (Factory Unit Block No. 409)	Registration no.: 6015/13134/2019 License No.: 38378	Directorate Industrial Safety & Health, Gujarat State	June 01, 2019	December 31, 2029
4.	Certificate of Registration under Pollution Control Board (For Block No. 358)	GPCB ID: 76940*	Gujarat Pollution Control Board, Surat Regional Office	December 11, 2022	November 14, 2037
5.	Certificate of Registration under Pollution Control Board (For Block No. 409, 414)	GPCB ID: 67413*	Gujarat Pollution Control Board, Surat Regional Office	June 18, 2019	June 02, 2034
6.	Certificate of Importer-Exporter Code	5211025938	Ministry of Commerce and Industry Directorate General of Foreign Trade Office of the Joint Director General of Foreign Trade, Surat	November 07, 2011	Valid till Cancelled
7.	Udyam Registration Certificate	UDYAM-GJ-22-0004084	Ministry of Micro, Small and Medium Enterprises	August 24, 2020	Valid till Cancelled

\*Application for change in name of the Company from "Scap Techno Fab Private Limited" to "Scap Techno Fab Limited" has been made to respective Issuing Authority and the same is under process.


## II. REGISTRATION UNDER VARIOUS TAX LAWS, ACTS, RULES REGULATIONS.

Sr. No.	Description	Registration No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAQCS4600K	Income Tax Department	July 06, 2023	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	SRTS12413C	Income Tax Department	July 27, 2023	Valid till Cancelled
3.	GST Registration Certificate (Gujarat)	24AAQCS4600K1Z7	Goods and Services Tax department	July 19, 2023	Valid till Cancelled
4.	Professional Tax Certificate (Block No. 414)	PET22023160099	Talati cum Mantri, Pipodara Gram Panchayat, Mangrol, Surat	June 11, 2024	Valid till Cancelled
5.	Professional Tax Certificate (Block No.358)	PET22022460025	Talati cum Mantri, Pipodara Gram Panchayat, Mangrol, Surat	June 11, 2024	Valid till Cancelled
6.	Registration under the Employees Provident Fund Organization (EPFO)	SRSRT0080226000*	Regional Provident Fund, Regional Office, Surat	June 11, 2020	Valid till Cancelled

\*Application for change in name of the Company from "Scap Techno Fab Private Limited" to "Scap Techno Fab Limited" has been made to respective Issuing Authority and the same is under process.

Limited” has been made to respective Issuing Authority and the same is under process.

### III. INTELLECTUAL PROPERTY

Sr. No.	Brand Name / Logo Trademark	Class	Trademark Number/Design No.	Owner	Date of Application	Current Status
1.		22	5752705	Scap Techno Fab Private Limited	May 25, 2024	Formalities chk pass*

\*Our Company has made applications to authority for updating the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company, but is yet to receive the formal approval.

### IV. DOMAIN NAME

Sr. No.	Domain Name and ID	Sponsoring Registrar	Registrant Name	Creation Date	Registry Expiry Date
1.	scaptechnofab.com	GoDaddy.com, LLC	Scap Techno Fab Private Limited	August 12, 2014	August 12, 2025

### QUALITY RELATED APPROVALS

Sr. No.	Name of Registration	Registration No.*	Applicable Law	Date of Issue	Validity
1.	Certificate of Registration for ISO 9001:2015 under TÜV SÜD South Asia Private Limited	99 100 17526/01	The Certification Body of TÜV SÜD South Asia Private Limited, Mumbai	March 30, 2023	March 29, 2026
2.	Certificate of Registration for ISO 9001:2015 under TÜV SÜD South Asia Private Limited	99 100 17526/02	The Certification Body of TÜV SÜD South Asia Private Limited, Mumbai	February 08, 2023	March 29, 2026
3.	Certificate of Registration for ISO 9001:2015 under TÜV SÜD South Asia Private Limited	99 100 17526/03	The Certification Body of TÜV SÜD South Asia Private Limited, Mumbai	February 08, 2023	March 29, 2026

### MATERIAL LICENSES/ APPROVALS/PERMISSION FOR WHICH APPLICATIONS HAVE BEEN MADE BY OUR COMPANY BUT NOT RECEIVED AND/OR YET TO BE APPLIED BY OUR COMPANY

Our Company not applied for any application which is pending with any authorities or there is no such certificate which company has to apply for.

## SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES/ ENTITIES

The definition of “Group Companies/Entities” pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board. Pursuant to a Board Resolution dated August 03<sup>rd</sup>, 2023, and as per the Materiality Policy approved by the board which is available on the website of the company i.e. <https://scaptechnofab.com> our Board has identified companies/entities with which there were related party transactions, during the period for which financial information is disclosed and formulated a policy to identify other companies which are considered material to be identified as group companies/entities, pursuant to which the following entities are identified as Group Companies/Entities of our Company:

1. Scap Specialized Material Private Limited;
2. Scap Tex Coat Private Limited.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Company and other information provided on the websites given below does not constitute a part of this Draft Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

Except as stated above, there are no companies/entities falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies/entities.

### 1. SCAP SPECIALIZED MATERIAL PRIVATE LIMITED

<b>Date of Incorporation</b>	October 09 <sup>th</sup> , 2021.
<b>Main Objects</b>	To carry on the business and activities of manufacturing, cleaving, sawing, cutting, polishing, processing, assorting and of buying, selling, importing, exporting, supplying, distributing, disposing and dealing as whole-sellers for self and as agents and retailers in cut and uncut diamonds, industrial diamonds, Board cut and uncut precious and semi-precious stones and pearls and to act as recognized export house and Trading house and to buy, sell, import, export, supply, distribute, dispose and deal in bullion, fold, silver, platinum and precious metals and as gem merchants, goldsmiths, silversmiths, jewelers and to trade, manufacture, import or deal in and/or undertake process in gold, silver, diamonds, rough diamonds, industrial diamonds precious and semiprecious stones, and to export jewellery made out of it and such other articles and goods and to establish factories to manufacture cut, cleave, polish set or otherwise prepare for the market of such rough diamonds, industrial diamonds precious and semiprecious stones or metals either as principles, agents, brokers, importers, exporters, manufactures or traders of all kind of diamonds, precious and semi-precious stones and metals, bullion gold, ornaments, jewellery, silver utensils and also to export, sale, distribute, trade, exhibit, supply, market, and act as wholesalers or retailers of diamonds, polishing diamonds, rough diamonds, cut diamonds, industrial diamonds ornaments, jewellery and precious stones.
<b>CIN</b>	U36912GJ2021PTC126250.
<b>Registered Office Address</b>	2 <sup>nd</sup> Floor, Plot-2, FP No.125, S.No.70, Tas Ni Wadi, Vishram Wadi, A.K. Road, A. K. Road, Surat - 395008, Gujarat, India.

### Financial Performance

In accordance with the SEBI (ICDR) Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available basis of our group company are available on the website of our company at <https://scaptechnofab.com>.



It is clarified that such details available on our group company websites do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company website, as mentioned above, would be doing so at their own risk.

## 2. SCAP TEX COAT PRIVATE LIMITED

<b>Date of Incorporation</b>	November 28 <sup>th</sup> , 2019.
<b>Main objects</b>	To carry on the business of exporters, importers, buyers, sellers, manufacturers, producers, buying agent, selling agent, commission agent, factors, distributors, stockiest, agent, traders, supplier, dealers, manufacturer, twister, texturisers, crimpers, processors, spinners, doublers, weavers, ginners, balers of industrial fabric, synthetic yarn, synthetic fabrics, non-woven fabrics, cotton, wool, silk yarn, flex, hemp, twine of all kinds of whatsoever description like art silk, nylon, polyester, acrylic, viscose, poly propylene, terelene, linen, canvas and all other kinds of fibrous materials or substances and to act as job workers or undertake all the activates of value addition to any textile products including embroidery, stitching, designing, dyeing, painting, printing of grey, cloth, yarn, threads, fibres.
<b>CIN</b>	U17299GJ2019PTC111069.
<b>Registered Office Address</b>	Block No. 358, Plot No.6, 7, Tal: Mangrol, Dist.Surat Nandav Surat – 394125, Gujarat, India.

### Financial Performance

In accordance with the SEBI (ICDR) Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and net asset value, derived from the latest audited financial statements available basis of our group company are available on the website of our company at <https://scaptechnofab.com>.

It is clarified that such details available on our group company websites do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Group Company website, as mentioned above, would be doing so at their own risk.

### PENDING LITIGATIONS

There is no pending litigation involving any of the above-mentioned group companies/entities which has a material impact on our company. However, for details of Outstanding Litigation against our Company and Group Companies/Entities, please refer to Chapter titled “*Outstanding Litigations and Material Developments*” on the page no. 175 of this Draft Prospectus.

### GENERAL DISCLOSURE

- None of the securities of our Group Entity are listed on any stock exchange and our Group Entity has not made any public or rights issue of securities in the preceding three years, except the following:

Name of Company	Type of Issue	Board Meeting in which allotment was approved	No. of Shares issued	Face Value per share ₹	Premium per share, if any ₹	Aggregate Value ₹
Scap Tex Coat Private Limited	Right Issue	December 09 <sup>th</sup> , 2022	1,53,732	10.00	46.00	86,08,992.00

- None of the above mentioned Group Companies/Entities is in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies/Entities.
- Our Group Entity has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

- Our Group Entity has not been identified as a Willful Defaulter or fraudulent borrower.

## COMMON PURSUITS

Except as stated below there is no other Group Companies / Entities which are in same line of business or having some of the objects similar to that of our Company's business.

One Group Company i.e. Scap Tex Coat Private Limited is working in similar line of business of the Issuer Company, the Main Object of Scap Tex Coat Private Limited is mentioned below:

1. *To carry on the business of exporters, importers, buyers, sellers, manufacturers, producers, buying agent, selling agent, commission agent, factors, distributors, stockiest, agent, traders, supplier, dealers, manufacturer, twister, texturisers, crimpers, processors, spinners, doublers, weavers, ginners, balers of industrial fabric, synthetic yarn, synthetic fabrics, non-woven fabrics, cotton, wool, silk yarn, flex, hemp, twine of all kinds of whatsoever description like art silk, nylon, polyester, acrylic, viscose, poly propylene, terelene, linen, canvas and all other kinds of fibrous materials or substances and to act as job workers or undertake all the activates of value addition to any textile products including embroidery, stitching, designing, dyeing, painting, printing of grey, cloth, yarn, threads, fibres.*

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

## RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in Chapter titled as “*Restated Financial Statements*” beginning on page no. 155 of this Draft Prospectus, there are no other business transactions between our Company and the Group Companies which are significant to the financial performance of our Company.

## BUSINESS INTERESTS AMONGST OUR COMPANY AND GROUP COMPANIES/ ENTITIES/ ASSOCIATE COMPANIES

Except as mentioned under Chapter titled “*Restated Financial Statements*” beginning on page no. 155 of this Draft Prospectus, there is no business interest among Group Companies/Entities.

Additionally, our Company will pay remuneration and salary to our Directors and Key Managerial Personnel as approved by the Board of Directors and Shareholders of our Company.

In addition to all above transactions proposed to be entered, our Company may also propose to enter in to new transactions or transactions beyond the present omnibus approval given by the Board of Directors/Audit Committee after obtaining the fresh approval for the new transactions or transactions beyond the omnibus approval specified above.

## DETAILS OF LISTED DEBT SECURITIES OF OUR GROUP COMPANIES

As on date of this Draft Prospectus, no debt securities issued by any of our Group Companies are listed on any stock exchange in India or abroad.

## DISSOCIATION OF PROMOTERS IN THE LAST THREE YEARS

Our individual Promoters have not disassociated themselves from any Company/entity in the last three years.

## RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANY/ENTITY AND ITS SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

For details, please see under Chapter titled “*Restated Financial Statements*” beginning on page no. 155 of this Draft Prospectus.

## CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

Except as mentioned under Chapter titled “*Restated Financial Statements*” beginning on page no. 155 of the Draft Prospectus, there have been no changes in the accounting policies in the last three years.

## SECTION XII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on July 24<sup>th</sup>, 2023 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in EGM held on August 01<sup>st</sup>, 2023, authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

### IN-PRINCIPLE APPROVAL

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue.

### PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoter, our Directors and our Promoters' Group have not been prohibited from accessing or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

### CONFIRMATIONS

1. Our Company, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018. In view of the General Circular No. 07/2018 dated September 6, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, our and Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018, upon notification of the relevant forms, as may be applicable to them.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.
4. Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter nor Group Companies/Entities have been identified as willful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.
5. Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.
6. Our directors have not been declared as willful defaulter by RBI or any other government authority and there has been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.
7. Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations.
8. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

### ELIGIBILITY FOR THE ISSUE

We are an issuer whose post issue paid-up capital is less than or equal to Rs. 10 Crore and therefore, our company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares. The point wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder;

**1. The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.**

Our Company is incorporated under the Companies Act, 1956.

**2. The post issue paid up capital of the company (face value) shall not be more than Rs. 25.00 Crore.**

The present paid-up capital of our Company is Rs. 7.00 Crores and we are proposing Issue of 25,40,000 Equity Shares of Rs. 10/- each at Issue price of Rs. 68/- per Equity Share including share premium of Rs. 58/- per Equity Share, aggregating to Rs. 1727.20 Lakh and accordingly our Post Issue Paid up Capital will be Rs. 9.54 Crores which will less than Rs. 10 Crores.

**3. Track Record**

**A. The company should have a track record of at least 3 years.**

Our Company was incorporated on September 24<sup>th</sup>, 2011 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies, Dadra and Nagar Havelli, Gujarat. Therefore, we are in compliance with criteria of having track record of 3 years.

**B. The company/entity should have operating profit (earnings before interest, depreciation and tax) of ₹ 1 Crore from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive**

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(Rs. In lakhs)

Particulars	For the half year ended September 30 <sup>th</sup> , 2024	For the year ended March 31		
		2024	2023	2022
Operating profit (earnings before interest, depreciation and tax and after Other Income) from operations <sup>(1)</sup>	312.36	642.68	160.41	898.91
Net Worth as per Restated Financial Statement <sup>(2)</sup>	1,549.75	1,414.52	1,174.95	1,407.88

- The above values are excluding revelation reserves;
- The Net worth is based on the Restated Financial Statements was calculated as Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & (loss) – Revaluation Reserve - Preliminary Expenses to the extent not written-off).

**C. The company/entity should have positive free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.**

S.No	Particulars	Sep-24	FY 2024	FY 2023	FY 2022
	Net Cash Flow from operating Activities	1,492.80	610.81	695.00	855.41
Less:	Cap Ex ( Purchase of Assets-Sale of Assets+ Capital Advances Given)	(831.96)	55.60	578.08	(665.70)
	<b>Free Cash Flow to the firm</b>	661.64	666.46	1,273.08	189.71
Add:	Net Borrowings (Proceeds from Long term and Short Term Borrowings- Repayment of Long Term and Short Term Borrowings)	(668.80)	(523.80)	(1,172.22)	59.96
Less:	Interest (1-Tax Rate)	18.77	64.94	106.32	185.28
	<b>Free Cash Flow to the Equity ( FCFE)</b>	<b>(25.93)</b>	<b>77.67</b>	<b>(5.46)</b>	<b>64.32</b>

**4. Offer for sale (OFS) by selling shareholders in SME IPO shall not exceed 20% of the total issue size and selling shareholders cannot sell more than 50% of their holding.**

There is no OFS in the said Issue, Hence, Not Applicable.

## 5. Other Requirements

### We confirm that:

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- ii. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- iii. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- iv. None of the Issues managed by BRLM are returned by NSE in last six months from the date of this Draft Red Herring Prospectus, except "*Scap Techno Fab Limited*".
- v. None of our Promoters or Directors has been declared as fugitive economic offender under Economic Offenders Act, 2018.
- vi. The Company has a website: [www.scaptechnofab.com](http://www.scaptechnofab.com).
- vii. It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.

To facilitate trading in demat securities; the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite agreement dated 12<sup>th</sup> April, 2023 with CDSL, our Company and Registrar to the Issue;
- Tripartite agreement dated 16<sup>th</sup> March 2023 with NSDL, our Company and Registrar to the Issue;
- The Company's shares bear an ISIN: INE0P5T01010.

## 6. Disclosures

### We confirm that:

- i. There is no material regulatory or disciplinary action taken 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 companies of the Company.
- ii. There is no default in payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs by the Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.

### In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

1. This Issue is 100% underwritten by the Lead Manager in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by Lead Manager, please refer to Section titled "*General Information*" beginning on page no. 41 of this Draft Prospectus.
2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares issued in the Initial Public Offer. For details of the market making arrangement, see Section titled "*General Information*" beginning on page no. 41 of this Draft Prospectus.
3. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to 50 (fifty), otherwise, the entire application money will be refunded forthwith. If such money is not repaid within 4 (four) 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 four days, be liable to repay such

application money, with interest at rate of 15% (fifteen per cent) per annum and within such time as disclosed in the issue document and lead manager shall ensure the same.

4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of Prospectus through lead manager immediately up on filing of the Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on our Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **SEBI DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT/~~LETTER OF OFFER~~/OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT/~~LETTER OF OFFER~~/OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT/~~LETTER OF OFFER~~/OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT / OFFER DOCUMENT, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S) SWASTIKA INVESTMART LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE OFFER DOCUMENT/~~LETTER OF OFFER~~/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT/~~LETTER OF OFFER~~/OFFER DOCUMENT.”**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE ISSUE**

The copy of the Prospectus is submitted to NSE. Post scrutiny of the Prospectus, the Disclaimer Clause as intimated by NSE to us is read as under;

“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/2210 dated March 17<sup>th</sup>, 2023 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 draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this 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.”

#### **CAUTION – DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

The Company, the Directors, accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.

The Lead Manager accepts no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company’s website: <https://scaptechnofab.com/> would be doing so at their own risk.

The Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company’s website: <https://scaptechnofab.com/> would be doing so at their own risk.

#### **CAUTION**

Our Company, the LM accept no responsibility for statements made otherwise than those contained in this Draft 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 Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager, Swastika Investmart Limited and our Company dated 04<sup>th</sup>, July 2024, and the Underwriting Agreement dated [●] between Swastika Investmart Limited and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by us and LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, 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 and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

#### **Note:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not offer, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriters and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, 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, Indian financial institutions, commercial banks, regional rural banks, co - operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub - account registered with SEBI which is

a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Prospectus doesnot, however, constitute an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company’s Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company’s affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions 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. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING OF DRAFT PROSPECTUS/ PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

A soft copy of Prospectus is filed with SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19<sup>th</sup>, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.

#### **LISTING**

Application is to be made to the Emerge Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE.



If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day 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 fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

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 NSE mentioned above are taken within Six Working Days from the Offer Closing Date.

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who –**

- (a). makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- (b). makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c). Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least Rs. 10 (ten) Lakh rupees or 1% (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 6 (six) months but which may extend to 10 (ten) years (provided that where the fraud involves public interest, such term shall not be less than 3 (three) 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 3 (three) times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than Rs. 10 (ten) Lakh rupees or 1% (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 5 (five) years or with fine which may extend to 50 (fifty) lakh rupees or with both.

## CONSENTS

The written consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, the Lead Manager to the Issue, Registrar to the Issue and Legal Advisor to the Issue, to act in their respective capacities have been 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 Draft Prospectus/Prospectus for registration with the RoC.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, 1) KPCM & CO, Chartered Accountants, have provided their written consent to act as Peer Reviewed Auditor and expert to the company dated 14<sup>th</sup> of August, 2023; and 2) M/s KARMA & Co LLP, Chartered Accountants, Statutory Auditors of the Company have provided their written consent dated October 15, 2024 for inclusion of their name in this Draft Prospectus.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Draft Prospectus.

## EXPERT OPINION

Except for report and certificates from Peer Review Auditors on financial matter and Legal advisor to the company on Legal matters, we have not obtained any other expert opinions.

## PREVIOUS PUBLIC OR RIGHT ISSUE

There have been no public or rights issue by our Company during the last five years.

## UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

## CAPITAL ISSUE DURING THE LAST THREE YEARS

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Swastika Investmart Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30<sup>th</sup>, 2015, issued by SEBI, please refer “Annexure A” to this Draft Prospectus and the website of Lead Manager at [www.swastika.co.in](http://www.swastika.co.in).

Track Record of the public issues managed by Lead manager as specified in Circular reference CIR/MIRSD/1/2012 dated January 10<sup>th</sup>, 2012 issued by the SEBI; please see the website of Lead manager i.e. [www.swastika.co.in](http://www.swastika.co.in).

### ANNEXURE – A

**TABLE 1**

S. No.	Issue Name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Service Care Limited	20.68	67.00	July 26 <sup>th</sup> , 2023	70.50	-15.04* (-2.59)**	-18.44* (-3.32)**	-10.57* (+9.32)**
2	Saroja Pharma Industries India Limited	9.11	84.00	September 13 <sup>th</sup> , 2023	65.00	-8.46* (-1.59)**	-12.31* (+4.17)**	-36.00* (+11.27)**
3	Shree Marutinandan Tubes Limited	14.30	143.00	January 19 <sup>th</sup> , 2024	200.00	+103.45* (+1.43)**	+25.55* (+1.12)**	+5.00* (+13.48)**
4	Sai Swami Metals and Alloys Limited	15.00	60.00	May 08 <sup>th</sup> , 2024	114.00	-55.31* (+4.39)**	-55.26* (+6.98)**	-53.51* (+7.24)**
5	TBI Corn Limited	44.94	94.00	June 07 <sup>th</sup> , 2024	198.00	+82.70* (+4.42)**	+19.24* (+3.67)**	-0.33* (+5.05)**
6	Bulkcorp International Limited	20.78	105.00	August 06 <sup>th</sup> , 2024	130.00	-13.81* (+3.67)	-17.69* (+3.03)**	-
7	Ideal Technoplast Industries Limited	16.03	121.00	August 28 <sup>th</sup> , 2024	132.10	-26.57* (+4.50)	-19.10* (-3.42)**	-

S. No.	Issue Name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark k]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark k]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark ]- 180 <sup>th</sup> calendar days from listing
8	Resourceful Automobile Limited	11.99	117.00	August 29 <sup>th</sup> , 2024	117.00	-45.04* (+4.18)**	-55.86* (-2.31)**	-
9	Aditya Ultra Steel Limited	45.88	62.00	September 16 <sup>th</sup> , 2024	69.90	-22.53* (-1.62)**	-25.25* (-2.42)**	-
10	United Heat Transfer Limited	29.99	59.00	October 29 <sup>th</sup> , 2024	60.95	+33.31* (-2.26)**	+19.44* (-5.54)**	-

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

#### **MAIN BOARD IPOs:**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
NIL								

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Issues) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

#### **Note:**

1. The S&P BSE Sensex and NSE Nifty are considered as the Benchmark;
2. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> Calendar days from listing;
3. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below;
4. In case 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

#### **SUMMARY STATEMENT OF DISCLOSURE**

#### **SME IPO:**

#### **TABLE 2**

Financial Year	Total No. of IPOs	Total Funds Raised (Rs. in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	2	22.69	1	-	1	-	-	-	-	1	-	-	-	1
2023-24	4	69.34	-	-	2	2	-	-	-	1	1	1	-	1
2024-25	7	184.61	1	2	2	1	1	-	1	-	1	-	-	-

#### **MAIN BOARD IPO:**

Financial Year	Total No. of IPOs	Total Funds Raised (Rs. in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	NIL													
2023-24														
2024-25														

#### **Note:**

1. Issue opening date is considered for calculation of total number of IPO's in the respective financial year.
2. In the event any day falls on a holiday, the price/index of the immediately 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.

#### **PROMIS VIS-À-VIS PERFORMANCE**

Since, neither our Company nor our Promoters' Group Companies/Entities have made any previous rights or public issues during last five years, Performance vis-à-vis Objects is not applicable.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock Exchange.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15<sup>th</sup>, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16<sup>th</sup>, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2<sup>nd</sup>, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within 3 (three) months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 (Fifteen) days, failing which the concerned SCSB would have to pay interest at the rate of 15% (Fifteen) per annum for any delay beyond this period of 15 (Fifteen) days. Further, the investors shall be

compensated by the SCSBs at the rate higher of Rs.100 (Hundred) per day or 15% (Fifteen) per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of Rs.100 (Hundred) per day or 15% (Fifteen) per annum of the application amount.

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 and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the applicant, application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated [●] and comply with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18<sup>th</sup>, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Draft Prospectus – Noted for Compliance.

#### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee comprising of Mr. Nareshkumar Purshottambhai Lakhani –Chairman, Mr. Rajesh Kalubhai Mepani – Member and Mr. Chetankumar Makanbhai Patel – Member.

Our Company has appointed Jayshree Jagdish Prasad Mundhra as the Company Secretary and Compliance Officer who may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Jayshree Jagdish Prasad Mundhra;  
 C/o.: Scap Techno Fab Limited;  
 Address: Block No- 414, Plot No- 49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Pipodara, Surat – 394110, Gujarat, India;  
 Telephone No.: +91 97244 04093;  
 Web site: www.scaptechnofab.com;  
 E-Mail: compliance@scaptechnofab.com.

Till date of this Draft Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

#### PUBLIC ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately Rs. [●]. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (Rs. in Lakh)	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]

Expenses	Expenses (Rs. in Lakh)	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Fees Payable Advertising and Printing Expenses	[•]	[•]	[•]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[•]	[•]	[•]
Fees payable to Peer Review Auditor and Legal Advisor	[•]	[•]	[•]
Fees Payable to Market Maker (for Three Year)	[•]	[•]	[•]
Escrow Bank Fees	[•]	[•]	[•]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses)			
<b>Total Estimated Issue Expenses</b>	[•]	[•]	[•]

**Notes:**

- Up to December 05<sup>th</sup>, 2024, Our Company has deployed / incurred expense of ₹ 22.40 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals duly certified by Peer Review Auditor M/s. KPCM & Co., Chartered Accountants vide its certificate dated December 05<sup>th</sup>, 2024, bearing UDIN: 25103498BMIDJD9524;
- Any expenses incurred towards aforesaid issue related expenses till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.

#### FEES PAYABLE TO LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

#### FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

#### FEES PAYABLE TO OTHERS

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market Maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### COMMISSION PAYABLE TO SCSBS

- SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
- Selling commission payable to Registered Broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
- No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02nd, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16th, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20<sup>th</sup>, 2022.
- Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

#### PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “Capital Structure” beginning on page no. 48 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.



## LISTED VENTURES OF PROMOTER

There are no listed ventures of our Company as on date of filing of this Draft Prospectus.

## OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Prospectus.

## CHANGES IN AUDITORS

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

Name of Auditor	Appointment/Resignation	Date of Appointment / Resignation	Reason
<b>M/S ASHWIN PAREKH &amp; CO., CHARTERED ACCOUNTANTS;</b> <b>Address:</b> 401-404, Rajhans Bonista, B/h Ram Chowk Temple, Nr. Police Chowki, Ghoddod Road, Surat, Gujarat – 395007 <b>Email Id:</b> akparekh_1989@yahoo.co.in, <b>Membership Number:</b> 042469; <b>Peer Review No.:</b> NA.	Appointment	30 <sup>th</sup> September, 2019	Appointed at the 08 <sup>th</sup> AGM for 5 consecutive years till conclusion of 13 <sup>th</sup> AGM to be held in 2024.
<b>M/S ASHWIN PAREKH &amp; CO., CHARTERED ACCOUNTANTS;</b> <b>Address:</b> 401-404, Rajhans Bonista, B/h Ram Chowk Temple, Nr. Police Chowki, Ghoddod Road, Surat, Gujarat – 395007 <b>Email Id:</b> akparekh_1989@yahoo.co.in, <b>Membership Number:</b> 042469; <b>Peer Review No.:</b> NA.	Resignation	30 <sup>th</sup> September, 2024	Expiry of Tenure.
<b>M/S KARMA &amp; CO LLP., CHARTERED ACCOUNTANTS</b> <b>Address:</b> “Karma House”, Plot No. 24, GFTH, BRTS Canal Road, BA1 Param Hospital, Paroat Patiya, Surat – 395011 <b>Telephone No.:</b> 9376788880 <b>Email Id:</b> <a href="mailto:surat.rk@karmallp.in">surat.rk@karmallp.in</a> . <b>Website:</b> <a href="https://www.karmallp.in">https://www.karmallp.in</a> <b>Membership Number/FRN:</b> 127544W; <b>Peer Review No.:</b> 017384	Appointment	30 <sup>th</sup> September, 2024	Appointed at the 13 <sup>th</sup> AGM for 5 consecutive years till conclusion of 18 <sup>th</sup> AGM to be held in 2029.

## CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS

Except as disclosed under section titled “*Capital Structure*” beginning on page no. 48 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since incorporation.

## REVALUATION OF ASSETS DURING THE LAST 3 (Three) YEARS

Our Company has not revalued its assets during last 3 (Three) years.

## COMPLIANCE WITH COMPANIES ACT 2013

The issuer company is in compliance with The Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Prospectus



## SECTION XIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018 including amendments thereof, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this 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 Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 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, 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.

Further vide the said circular, Registrar to the Issue and Depository Participants have also been authorized to collect the Application forms. Investor may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### THE ISSUE

The Issue comprises of a Fresh Issue by our Company.

### AUTHORITY OF THE OFFER

The present Public Issue of 25,40,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on 24<sup>th</sup> July, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on 01<sup>st</sup> August, 2023 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, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares 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 see the chapter titled “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page no. 253 of this Draft Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors and approved by 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 dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any, declared) will be approved by the Board of Directors.

### FACE VALUE AND ISSUE PRICE

The face value of the Equity Shares is ₹10/- each and the Issue Price is ₹68/- per Equity 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.84 of this Draft Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares of our company, subject to applicable laws.

#### COMPLIANCE WITH SEBI (ICDR) REGULATIONS, 2018

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 and 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 and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page no. 254 of this Draft Prospectus.

#### MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, 2018, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares and the same may be modified by 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 2,000 Equity Share subject to a minimum allotment of 2,000 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 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 all the monies blocked by the SCBSs or Sponsor Bank shall be unblocked within 2 (Two) Working days of closure of issue.

#### JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicants, may nominate up to three persons, vide Multiple Nominations facility made available by CDSL and NSDL, to 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 in respect of Percentage assigned to each nominee at the time of nomination. 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 (3) 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 accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination interest 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 Articles of Association of the Company, 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:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board of Directors 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 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.

## PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE

<b>ISSUE OPENS ON</b>	[●]	<b>ISSUE CLOSES ON</b>	[●]
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An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Closing Date	[●]
Finalization of Basis of Allotment with NSE	[●]
Initiation of refunds /unblocking of funds from ASBA Account	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on NSE	[●]

The above time table is indicative and does not constitute any obligation on our Company. 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 NSE is taken within 3 (Three) Working Days from 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.

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. On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, 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, not later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft 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 issue, some Applications may not get uploaded due to lack of sufficient time. Such Applications that are not uploaded will not be considered for allocation under the Issue. 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 case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

The issuer does not receive the minimum subscription of 100% of the offer through offer document on the date of closure of the issue or devolvement of Underwriters, if any, within 60 (Sixty) days from the date of closure of the issue or withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchanges for the securities so Issued under the offer document, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum.

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 monies blocked by the SCSBs shall be unblocked within 2 (Two) working days of closure of issue.

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.

### **NO RESERVATION FOR EIGIBLE NRIS, FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **AS PER THE EXTENT POLICY 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, FIIs 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.

*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 Manager 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 Draft 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.*

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the equity shares will happen in the minimum contract size of 2,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by Emerge Platform of NSE from time to time by giving prior notice to investors at large.

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 Emerge Platform of NSE.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Minimum Promoters' Contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page no. 48 of this Draft Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the chapter titled "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page no. 254 of this Draft Prospectus.

#### **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

#### **ALLOTMENT OF SECURITIES IN DEMATERIALIZED FORM**

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.

Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

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.

#### **MIGRATION TO MAIN BOARD**

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018, NSE/SME/47077 dated January 21, 2021 and NSE/SME/56427 dated April 20, 2023. NSE has further reviewed and revised the migration policy effective from April 01, 2024 from NSE Emerge to NSE Main Board as follows:

- a. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹25 crores\*\*  
*\*\*Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange for 3 months preceding the application date) and the post issue number of equity shares.*
- b. The Company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
- c. The Company should have been listed on SME platform of the Exchange for at least 3 years.

- d. The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/or No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- e. The Company has not received any winding up petition admitted by a NCLT.
- f. The net worth\* of the Company should be at least ₹75 crores.  
\*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- g. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.

The Company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:

- a. The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
- b. Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
- c. Redressal mechanism of Investor grievance.
- d. PAN and DIN no. of Director(s) of the Company.
- e. Change in Control of a Company/Utilisation of funds raised from public.

#### **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 Emerge Platform of NSE for a minimum period of three years from the date of listing of shares Issued through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker; please see “*General Information*” on page no. 41 of this Draft Prospectus.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filling 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.



## 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 capital is less than or 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 Issue*” and “*Issue Procedure*” on page no. 198 and 204 respectively of this Draft Prospectus.

Public issue of 25,40,000 equity shares of face value of ₹10/- each for cash at a price of ₹68/- per equity share including a share premium of ₹58/- per equity share (the “Issue Price”) aggregating to ₹1,727.20 Lakh (“the issue”) by our company. The Issue and the Net Issue will constitute 26.62% and 25.24%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Method.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares*	24,08,000 Equity Shares.	1,32,000 Equity Shares.
Percentage of Issue Size available for allocation	94.80% of the Issue Size; 25.24% of the Post Issue Paid up Capital.	5.20% of the Issue Size; 1.38% of the Post Issue Paid up Capital.
Basis of Allotment/Allocation of respective category if respective category is oversubscribed	Proportionate subject to minimum allotment of 2,000 Equity Shares and Further allotment in multiples of 2,000 Equity Shares each.  For further details please refer to the section titled “ <i>Issue Procedure – Basis of Allotment</i> ” on page no. 198 of this Draft Prospectus.	Firm Allotment.
Mode of Application	All the Applicants shall make the Application (Online or Physical) through ASBA Process Only.	Through ASBA mode Only.
Minimum Application Size	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <b>For Retail Individuals:</b> 2000 Equity Shares	1,32,000 Equity Shares.
Maximum Bid	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Size does not exceed 24,08,000 Equity Shares subject to limit the investor has to adhere under the relevant laws and regulations applicable.  <b>For Retail Individuals:</b> 2,000 Equity Shares so that the Application Value does not exceed ₹ 2,00,000	1,32,000 Equity Shares.
Mode of Allotment	Compulsorily in dematerialized mode.	
Trading Lot	2,000 Equity Shares	2,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	Entire Application Amount shall be payable at the time of submission of Application Form.	
Application Lot Size	2,000 Equity Share and in multiples of 2000 Equity Shares thereafter	

\* 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) Regulations, 2018 shall be made as follows:

- i. Minimum fifty per cent to retail individual investors; and



ii. Remaining to:

(a) individual applicants other than retail individual investors; and

(b) 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.

In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. 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.

In case of ASBA Applicants, the SCSB shall be authorized to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

## WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be 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 the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at India.

## ISSUE PROGRAMME

<b>ISSUE OPENS ON</b>		●
<b>ISSUE CLOSES ON</b>		●

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, 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 Issue has been undertaken under UPI Phase II, till any further notice issued by SEBI. Accordingly, the Issue has been considered to be made under UPI Phase II, till any further notice issued by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism.

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 Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”) to act as intermediaries for submitting Application Forms are provided on [www1.nseindia.com/emerge](http://www1.nseindia.com/emerge). For details on their designated branches for submitting Application Forms, please see the above mentioned website of Platform of National Stock Exchange of India Limited (“NSE EMERGE”).

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 Draft 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 this Draft Prospectus and the Prospectus.

Further, the Company and the LM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated 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 payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to 3 (Three) Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required 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 Applicants into the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

### **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 Issue, 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.

### **Electronic registration of Applications**

- 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 Issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries uploaded the Bids till such time as were permitted by the Stock Exchanges and as disclosed in this Draft Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 5:00 pm on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchanges Platform during the Bid/Issue Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Issue for further processing.

### **AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Draft Prospectus and Prospectus together with the Application Forms, copies of the Draft Prospectus and 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 (National Stock Exchange of India Limited) i.e., [www1.nseindia.com/emerge](http://www1.nseindia.com/emerge) 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 Designated Intermediary, 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. RIIs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Application Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Application.

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	[●]
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	[●]

\* Excluding electronic Application Forms downloaded by the Applicants.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Application details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic applying system of the Stock Exchanges. For RIIs using UPI Mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. For ASBA Forms (other than RIIs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Applicants has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic Application with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Application details already uploaded.

For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Application entered in the Stock Exchange bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Banker to an Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in 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 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Application responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Application requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and Issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Issuer banks and Sponsor Banks on a continuous basis.

## 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 Draft 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)

Retail 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 have 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:

<b>For Applications submitted by investors to SCSB:</b>	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.
<b>For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b>	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 Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of</b>	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).

<b>UPI for payment</b>	<p>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.</p> <p>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.</p>
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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 Draft 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 Draft 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 Issued 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.

Neither (i) the Lead Manager or any associates of the Lead Manager, except Mutual Funds sponsored by entities which are associates of the Lead Manager or insurance companies promoted by entities which are associate of Lead Manager or AIFs sponsored by the entities which are associate of the Lead Manager or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the Lead Manager nor; (ii) any “person related to the Promoter and members of the Promoter Group” shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoter and members of the Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter and members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

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 depository), 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 Issued 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 Issuing 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 Issue 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 Issue 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 Issue 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 Issue 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 Draft 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 Issue.

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 BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company and the Selling Shareholders in consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and Master Direction –Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non- financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Applications by banking companies should not exceed the investment limits prescribed for them under the applicable laws,

#### **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.

#### **APPLICATIONS BY SCSBS**

SCSBS participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **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 Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft 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.***

***The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.***

## 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 Draft 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](http://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.	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 (NII) including Qualified Institutional Buyer (QIB)	For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  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.	Not Applicable

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 Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## 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 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.

## 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 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.

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 2,000 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 2,000 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 Draft Prospectus.

#### 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 Issued, 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 filling 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 Regional newspaper.

#### SIGNING OF UNDERWRITING AGREEMENT

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [●].

#### FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 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 transfer 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 1 (One) Working Day of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within 2 (Two) Working Days 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 transfer 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 2 (Two) 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 SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”) where the Equity Shares are proposed to be listed are taken within 3 (Three) Working Days from Issue Closing Date. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) 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.

### **GROUND 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 Draft Prospectus. The designated Stock Exchange may be as disclosed in the Draft 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 Draft 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 4 (Four) 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 4 (Four) 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 fourth 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 Regulation 260(1) of SEBI ICDR Regulation.

If the issuer does not receive the subscription of hundred per cent (100%) of the offer through Draft Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so offered under the Draft Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 4 (Four) Days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a.).

#### 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 2 (Two) 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 2 (Two) 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 2 (Two) Working Days of the Issue Closing Date.

#### INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:

The issuer shall allot securities Issued 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 four 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 Draft 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 Centers), 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 Draft 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 Draft 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 National Stock Exchange of India Limited i.e., [www1.nseindia.com/emerger/](http://www1.nseindia.com/emerger/).

Applicants may note that forms not filled completely or correctly as per instructions provided in this Draft 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:

<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> 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
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<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>
		Mr. / Ms. <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	Address <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>
		Email <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	Tel. No (with STD code) / Mobile <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>
		<b>2. PAN OF SOLE/FIRST APPLICANT</b>
		<span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>


<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
<span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	<input type="checkbox"/> Individual(s)      - IND
	<input type="checkbox"/> Non- Resident Indians (Non-Repatriation Basis)      - NRI
	<input type="checkbox"/> Hindu Undivided Family*      - HUF
	<input type="checkbox"/> Bodies Corporate      - CO
	<input type="checkbox"/> Banks & Financial Institutions      - FI
	<input type="checkbox"/> Mutual Funds      - MF
	<input type="checkbox"/> National Investment Funds      - NIF
	<input type="checkbox"/> Insurance Funds      - IF
	<input type="checkbox"/> Insurance Companies      - IC
	<input type="checkbox"/> Venture Capital Funds      - VCF
	<input type="checkbox"/> Alternative Investment Funds      - AIF
	<input type="checkbox"/> Others (Please Specify)      - OTH

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.


<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>	<b>5. CATEGORY</b>
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹  * /- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price	<input type="checkbox"/> Retail Individual
(In Figures) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> (In Words) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	<input type="checkbox"/> Non-Institutional
<b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>	<input type="checkbox"/> QIB
<small><sup>1</sup> Please note that applications must be made in minimum of [-] shares and further multiples of [-] shares accordingly. <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.</small>	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> (₹ in words) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	
ASBA Bank A/c No. <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	
Bank Name & Branch <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	
OR	
UPI Id <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	
<small>(Maximum 45 characters)</small>	

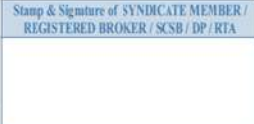
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR 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.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: ....., 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	
	2) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	
	3) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	

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<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - R</b>	<small>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</small>	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
DPID / CLID <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	ASBA Bank & Branch <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	PAN of Sole/First Applicant <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	
Amount Blocked (₹ in figures) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	ASBA Bank A/c No./UPI Id <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	<b>Stamp &amp; Signature of SCSB Branch</b>	
Received from Mr./Ms. <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	Telephone / Mobile <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>		
Email <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>			

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>No. of Equity Shares</b>	<b>In Figures</b>	<b>In Words</b>	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
	<span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	<span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	<span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>		<span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>
	<b>Amount Blocked (₹)</b>	<span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	<span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>		
	<b>ASBA Bank A/c No. / UPI Id:</b> <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>				
	<b>Bank &amp; Branch:</b> <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>				
	<b>Acknowledgement Slip for Applicant</b>				
					Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.



<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS
	Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXX	Application Form No. _____
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>
		Mr. / Ms. _____ _____ _____ Address _____ _____ _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b>
		_____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis) <input type="checkbox"/> Foreign Institutional Investor - FII/ <input type="checkbox"/> Foreign Portfolio Investor - FPI <input type="checkbox"/> Foreign Venture Capital Investor - FVCI <input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA <input type="checkbox"/> Others - OTH (please specify)
<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>	<b>5. CATEGORY</b>
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹  * /- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price	<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
(In Figures) _____ (In Words) _____	
<b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>	
<small><sup>1</sup> Please note that applications must be made in minimum of [*] shares and further multiples of [*] shares accordingly. <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.</small>	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	
OR	
UPI Id _____	
<small>(Maximum 45 characters)</small>	
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.	

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	

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<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	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 _____	Stamp & Signature of SCSB Branch _____		
ASBA Bank A/c No./UPI Id _____			
Received from Mr./Ms. _____			
Telephone / Mobile _____ Email _____			

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XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		In Figures	In Words	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares				
	Amount Blocked (₹)				
	ASBA Bank A/c No. / UPI Id: _____				
	Bank & Branch: _____				
					<b>Acknowledgement Slip for Applicant</b>
					Application Form No. _____

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## A. INSTRUCTION FOR FILLING THE APPLICATION FORM

### 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 Draft Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as ₹68/- per equity shares (including premium of ₹ 58/- 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 Draft 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 2,000 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 2,000 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 2,000 equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for 2,000 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 2,000 Equity Shares thereafter, as may be disclosed in the Application Form and the Draft 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 Draft 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 Draft Prospectus.

## **6. FIELD NUMBER 6: INVESTOR STATUS**

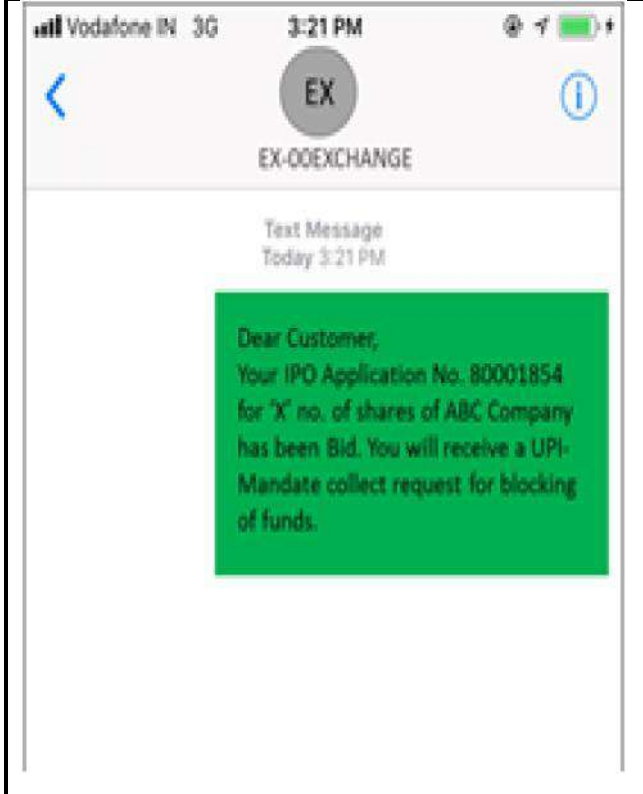
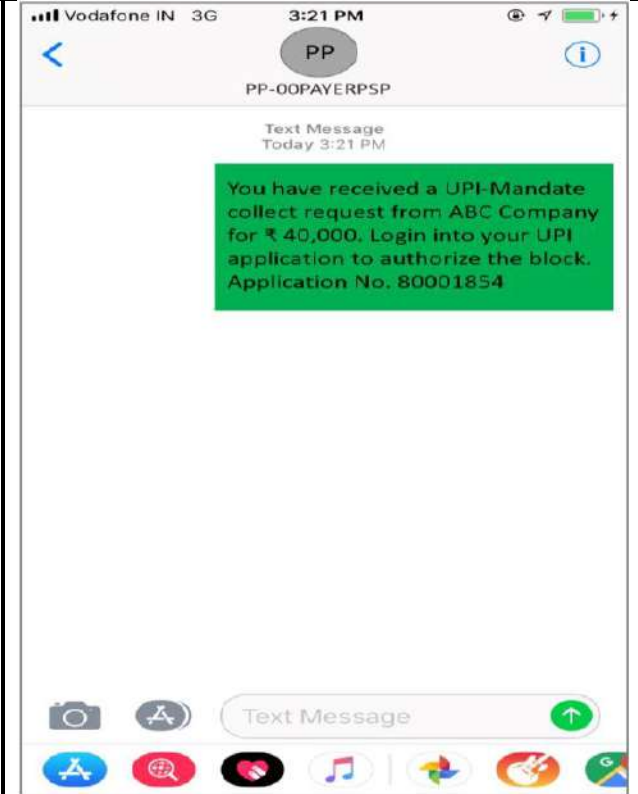
- a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Draft 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.

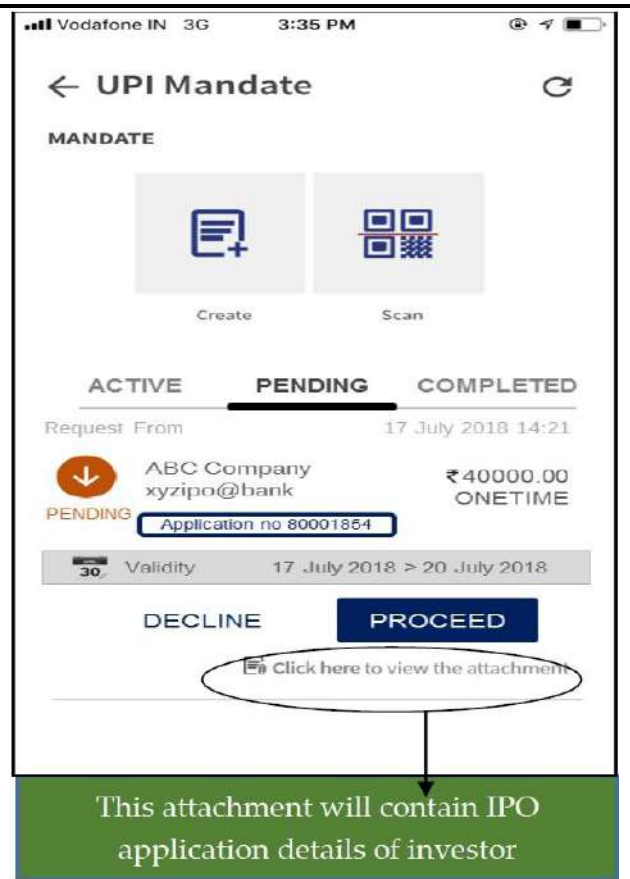
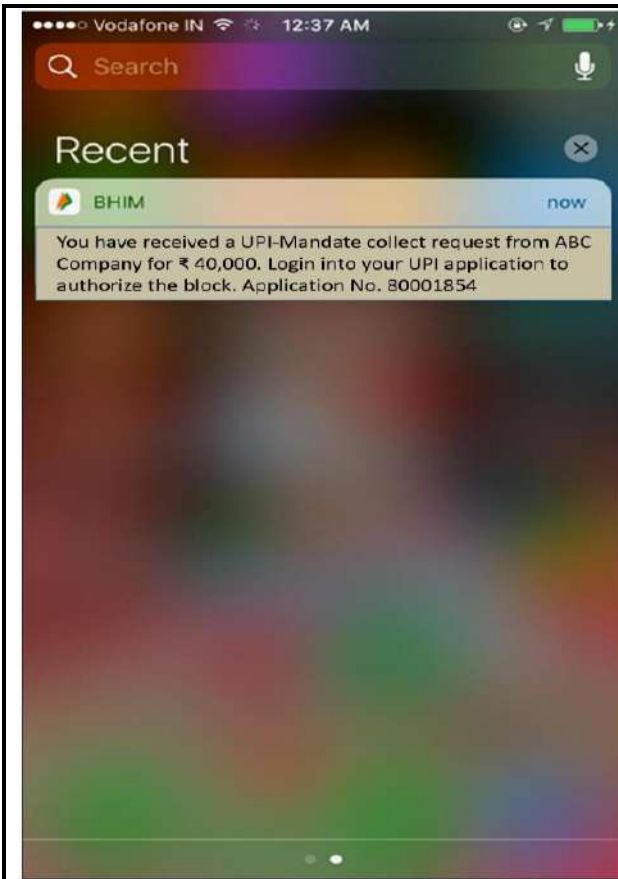
## **7. FIELD NUMBER 7: PAYMENT DETAILS**

- 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.



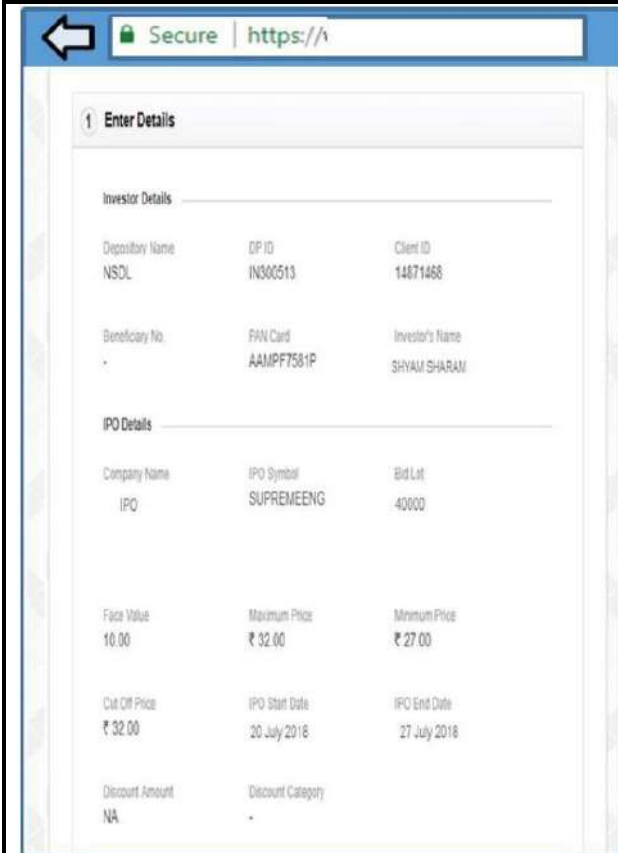
- e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order. Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

ILLUSTRATIVE SMS	BLOCK REQUEST SMS TO INVESTOR
 <p>The screenshot shows an SMS from 'EX-OOEXCHANGE' at 3:21 PM. The message text is: "Dear Customer, Your IPO Application No. 80001854 for 'X' no. of shares of ABC Company has been Bid. You will receive a UPI-Mandate collect request for blocking of funds."</p>	 <p>The screenshot shows an SMS from 'PP-00PAYERPSP' at 3:21 PM. The message text is: "You have received a UPI-Mandate collect request from ABC Company for ₹ 40,000. Login into your UPI application to authorize the block. Application No. 80001854"</p>
BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION	BLOCK REQUEST SMS TO INVESTOR



**SAMPLE OF IPO DETAILS IN ATTACHMENT**

**POST VERIFICATION OF DETAILS ABOVE**



**PRE-CONFIRMATION PAGE**



**ENTERING OF UPI PIN**

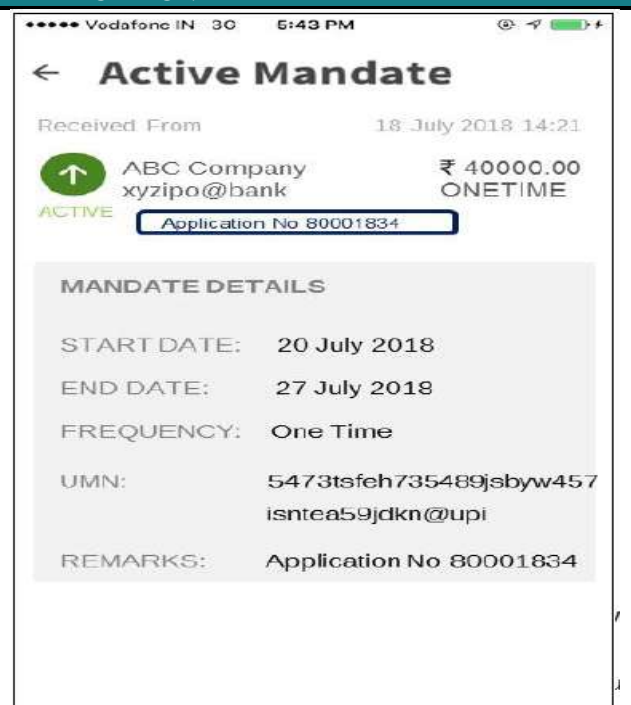


**CONFIRMATION PAGE**

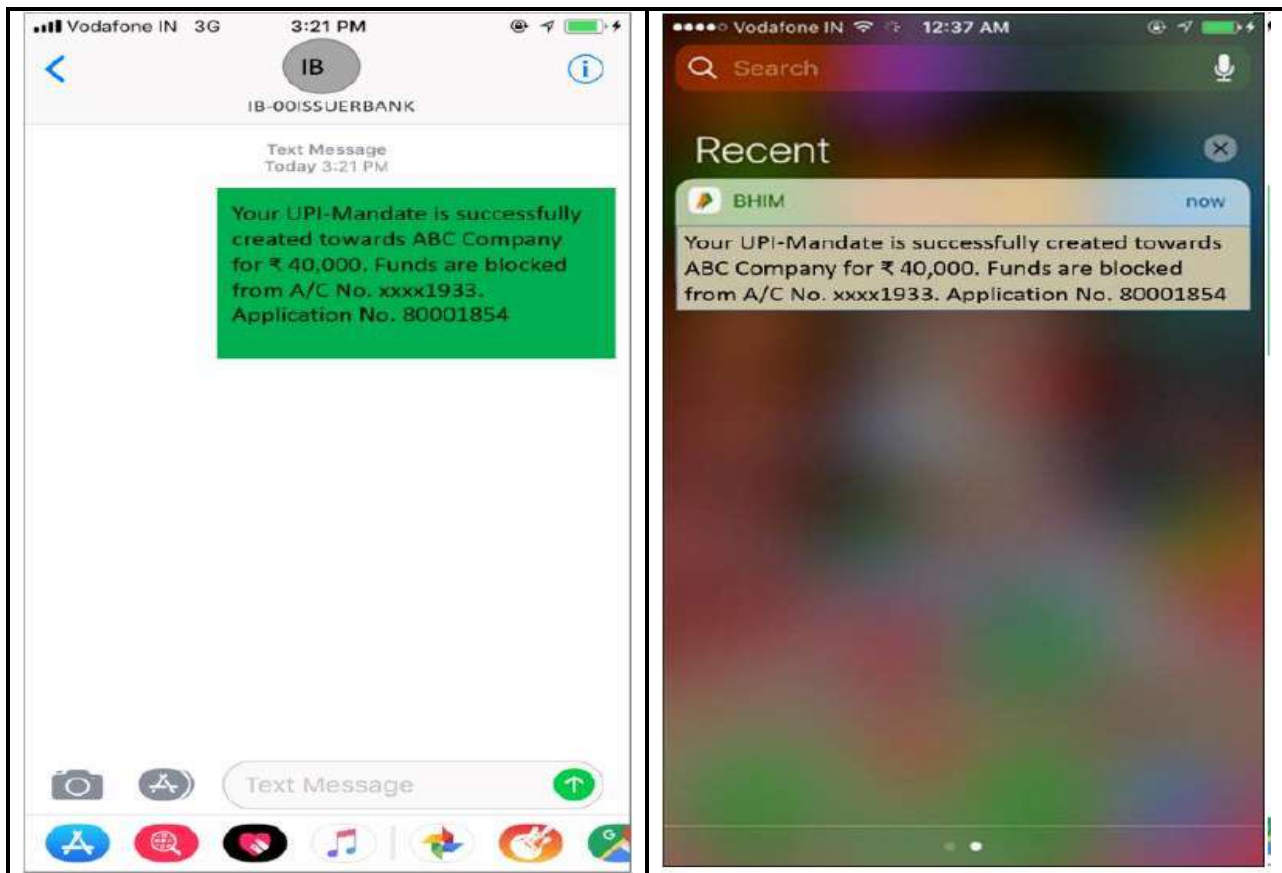


**BLOCK CONFIRMATION SMS TO INVESTOR**

**APPROVED MANDATES VISIBLE IN UPI APPLICATION**



**BLOCK CONFIRMATION APPLICATION INTIMATION**



- a.) QIB and NII Applicants may submit the Application Form either;
  - i. to SCSB in physical or electronic mode through the internet banking facility Issued 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.
- b.) 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.
- c.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.
- d.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- e.) 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, the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- f.) **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.
- g.) **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.
- h.) 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.
- i.) 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.
- j.) 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.
- k.) 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).

- l.) 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.
- m.) 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 Draft Prospectus and the Application Form.

#### **A. 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:







## **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 [●] 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 [●] 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 Draft 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 Draft 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 Draft 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 Draft 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.

### **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 (1<sup>st</sup> 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.

### GROUND 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 2,000;
- Category not ticked;
- Multiple Applications as defined in the Draft 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 Draft Prospectus and as per the instructions in the Draft 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 5.00 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*.

#### **ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **DESIGNATED DATE AND ALLOTMENT**

- a) Our Company will ensure that the Allotment and credit to the successful Applicants' depository account will be completed within 2 (Two) Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

#### **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 16, 2023 with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated April 12, 2023 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE0P5T01010

- 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:**

<p><b>To the Companys</b>            Jayshree Jagdish Prasad Mundhra;  <b>Company Secretary &amp; Compliance Officer</b>  <b>C/o.:</b> Scap Techno Fab Limited;  <b>Address:</b> Block No- 414, Plot No- 49 to 55, 58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Pipodara, Surat – 394110, Gujarat, India;  <b>Telephone No.:</b> +91 97244 04093;  <b>Web site:</b> <a href="http://www.scaptechnofab.com">www.scaptechnofab.com</a>;  <b>E-Mail:</b> <a href="mailto:compliance@scaptechnofab.com">compliance@scaptechnofab.com</a>.</p>	<p><b>To the Registrar to the Issue</b>            Ramesh Nair;  <b>C/o.</b> Bigshare Services Private Limited;  <b>SEBI Registration Number:</b> INR000001385;  <b>Address:</b> No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri - [East], Mumbai - 400093, Maharashtra, India;  <b>Tel. Number:</b> +91 – 22626 38200; Fax: +91 – 22626 38299;  <b>Email Id:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>;  <b>Investors Grievance Id:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>;  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>;  <b>Contact Person:</b> Mr. Ramesh Nair;  <b>CIN:</b> U99999MH1994PTC076534.</p>
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## 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 1 (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 SME Platform of National Stock Exchange of India Limited ("NSE EMERGE") where the Equity Shares are proposed to be listed are taken within 3 (Three) 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 fifty lakh rupees or with both.*

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Draft Prospectus. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with LM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

#### **Process for generating list of allottees:**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3<sup>rd</sup> and 5<sup>th</sup> application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.

On the basis of the above, the RTA will work out the allottees, partial allottees and non-allottees, prepare the fund transfer letters and advise the SCSBs to debit or unblock the respective accounts.

## BASIS OF ALLOTMENT

Allotment will be made in consultation with NSE EMERGE (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 2,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 2,000 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 2,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2,000 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 NSE SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”).

## 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 as specified in chapter titled as “*General Information*” beginning from page no. 41 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The designated employee of the NSE SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”) 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.

## **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The designated employee of the Stock Exchange, along with the LM and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

## **METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME**

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of over-subscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Applicants shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Applicants shall not be less than the minimum Application lot, subject to the availability of shares in Retail Individual Applicants portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

## **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

- 1) If our Company does not proceed with the Issue after the Issue Closing Date but before allotment, then the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- 3) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date or such other period as may be prescribed;
- 4) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within the time prescribed under applicable law or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15.00% per annum for the delayed period;
- 5) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- 6) That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription;
- 7) That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- 8) No further Issue of Equity Shares shall be made until the Equity Shares Issued through the Prospectus are listed or until the Application monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- 9) That if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh Issue document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- 11) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- 12) That adequate arrangements shall be made to collect all Application Forms from Applicants; and
- 13) That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

## **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;

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 Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. See “*Issue Procedure*” beginning on page 207.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See “*Issue Procedure*” beginning on page 207.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, any investment, subscription, purchase or sale of equity instruments 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 (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar

amendment to the FEMA Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Issue Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our 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 this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.



## SECTION XIV- DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### I. CONSTITUTION OF THE COMPANY AND INTERPRETATION CLAUSE

- A. The regulations contained in table “F” of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles.
- B. “Public Company” means a company which—
- is not a private company;
  - has a minimum paid-up share capital as may be prescribed:  
Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.
- C. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:
- ‘The Act’ or ‘The Companies Act’ shall mean ‘The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.’
  - ‘The Board’ or ‘The Board of Directors’ means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
  - ‘The Company’ or ‘This Company’ means **SCAP TECHNO FAB LIMITED**.
  - ‘Directors’ means the Directors for the time being of the Company.
  - ‘Writing’ includes printing, lithograph, typewriting and any other usual substitutes for writing.
  - ‘Members’ means members of the Company holding a share or shares of any class.
  - ‘Month’ shall mean a calendar month.
  - ‘Paid-up’ shall include ‘credited as fully paid-up’.
  - ‘Person’ shall include any corporation as well as individual.
  - ‘These presents’ or ‘Regulations’ shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
  - ‘Section’ or ‘Sec.’ means Section of the Act.
  - Words importing the masculine gender shall include the feminine gender.

### II. SHARE CAPITAL AND VARIATION OF RIGHTS

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot 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 or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

#### 2. Member’ right to share Certificates

- Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
  - One certificate for all his shares; or
  - Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.
- The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.



- iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- iv. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorized official(s) of the Company.

#### **One Certificate for joint holders**

- v. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.
3. (a) If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.
- (b) For every certificate issued under the last preceding Article, no fee shall be charged by the Company.
- (c) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

#### **Splitting and consolidation of Share Certificate**

- (d) The shares of the Company will be split up/consolidated in the following circumstances:
- (i) At the request of the member/s for split up of shares in marketable lot.
  - (ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

#### **Directors may issue new Certificate(s)**

- (e) The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

#### **Trust not Recognised**

4. Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### **Power to pay commission**

5. The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

### **Issue of further shares with disproportionate rights**

6. (i) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied 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 General Meeting of the holders of the shares of that class.
  - (ii) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.
7. Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.
8. (i) Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.
- (ii) The Company may issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.
- (iii) The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:
  - I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
  - (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
  - (d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.
- II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.
- III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:
  - (iv) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and
  - (v) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.
  - (vi) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
  - (vii) As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.
  - (viii) An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.
  - (ix) If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment, 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 or representatives, if any.

## LIEN

### Company's lien on shares

9. The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

### As to enforcing lien by sale

10. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

### Authority to transfer

11. a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.  
b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

### Application of proceeds of sale

12. The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

## CALLS ON SHARES

### Calls

13. Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

### When call deemed to have been made

14. (a) A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

### Length of Notice of call

- (b) Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

### Liability of joint holders of shares

15. The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

### When interest on call or instalment payable

16. If the sum payable in respect of any call or, instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall fall

due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

#### **Sum payable in fixed instalments to be deemed calls**

17. (a) If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or instalment accordingly.

#### **Sums payable at fixed times to be treated as calls**

(b) The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

#### **Payment of call in advance**

18. (a) The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

#### **Partial payment not to preclude forfeiture**

(b) Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share 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 in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

### **TRANSFER OF SHARES**

#### **Transfer**

19. a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
- b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
- Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.
- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
- f. Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

### **Board's right to refuse to register**

20. a. The Board, may, at its absolute discretion and without assigning any reason, decline to register
1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or
  2. Any transfer or transmission of shares on which the Company has a lien
- Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
- b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
  - c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.
  - d. The provisions of this clause shall apply to transfers of stock also.

### **Further right of Board of Directors to decline to recognize any instrument of transfer**

21. the board may decline to recongnise any instrument of transfer unless –
- a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c. the instrument of transfer is in respect of only one class of shares.
22. i. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **No transfer to infant, etc.**

- ii. No transfer shall be made to an infant or a person of unsound mind.

### **Endorsement of transfer and issue of certificate**

- iii. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

### **Custody of transfer**

- iv. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

### **Register of members**

- v. a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

### **Closure of Register of members**

- b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

### **When instruments of transfer to be retained**

- c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

### **Company's right to register transfer by apparent legal owner**

- vi. The Company shall incur no liability or responsibility whatever in consequence of their 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 of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it 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 the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

## **TRANSMISSION OF SHARES**

### **Rights to shares on death of a member for transmission**

23. a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.
- b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.  
Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.  
Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.  
Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

### **Rights and liabilities of person**

24. 1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either
  - a. to be registered himself as a holder of the share or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

### **Notice by such a person of his election**

25. a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
  - b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except



that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

## **FORFEITURE OF SHARES**

### **If call or instalment not paid, notice may be given**

28. (a) If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

### **Evidence action by Company against shareholders**

(b) On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

### **Form of Notice**

29. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

### **If notice not complied with, shares may be forfeited**

30. (a) If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

### **Notice after forfeiture**

- (b) When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

### **Boards' right to dispose of forfeited shares or cancellation of forfeiture**

31. A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

### **Liability after forfeiture**

32. (a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.
- (b) The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands



against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

#### **Evidence of forfeiture**

33. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

#### **Non-payment of sums payable at fixed times**

34. (a) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

#### **Validity of such sales**

- (b) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register 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.

### **ALTERATION OF CAPITAL**

#### **Alteration and consolidation, sub-division and cancellation of shares**

35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
36. a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:
- i. increase its share capital by such amount as it thinks expedient by issuing new shares;
  - ii. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - iii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
  - iv. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
  - v. Cancel shares which, at the date of passing of the resolution in that behalf, 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.
  - vi. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.
- b. The resolution whereby any share is sub-divided may determine that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.

#### **37. Conversion of shares into stock**

- i. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

### **Transfer of stock**

- ii. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; 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.

### **Right of stockholders**

- iii. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

### **Applicability of regulations to stock and stockholders**

- iv. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.
38. (i) The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:
- a. its share capital;
  - b. any capital redemption reserve account; or
  - c. any share premium account.

### **Surrender of shares**

- (ii) The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

### **Power of modify shares**

- (iii) The rights and privileges attached to each class of shares may be modified, commuted, affected, and abrogated in the manner provided in Section 48 of the Act.

### **Set-off of moneys due to shareholders**

- (iv) Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

### **(v) DEMATERIALISATION OF SECURITIES**

#### **a) Definitions**

For the purpose of this Article:

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;

‘SEBI’ means the Securities and Exchange Board of India;

‘Depository’ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

‘Security’ means such security as may be specified by SEBI from time to time.

#### **b) Dematerialisation of securities**

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or

rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

**c) Options for investors**

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

**d) Securities in depositories to be in fungible form**

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**e) Rights of depositories and beneficial owners:**

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

**f) Service of documents**

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

**g) Transfer of securities**

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**h) Allotment of securities dealt with in a depository**

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

**i) Distinctive numbers of securities held in a depository**

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

**j) Register and Index of Beneficial owners**

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

**k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository**

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the

Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

### **CAPITALISATION OF PROFITS**

#### **39. Capitalisation of Profits**

- a. The Company in General Meeting, may on the recommendation of the Board, resolve:
  1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and
  2. that such sum be accordingly set free for distribution in the manner specified in under the act amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained under the act either in or towards:
  1. paying up any amount for the time being unpaid on any share held by such members respectively;
  2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or
  3. Partly in the way specified in Sub-clause (1) and partly in that specified in Sub-clause (2).
- c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

#### **40. Powers of Directors for declaration of Bonus**

- a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
  1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
  2. generally do all acts and things required to give effect thereto.
- b. The Board shall have full power:
  1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
  2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.
- c. Any agreement made under such authority shall be effective and binding on all such members.

### **BUY BACK OF SHARES**

41. 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.

## GENERAL MEETINGS

### Annual General Meeting

42. The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.

### Extraordinary General Meeting

43. (i) Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

### Right to summon Extraordinary General Meeting

(ii) The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.

### Extraordinary Meeting by requisition

- (iii) a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
- b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.
- c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.
- e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

### Length of notice for calling meeting

(iv) A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice of seven days or less if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting. Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

### Accidental omission to give notice not to invalidate meeting

(v) The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

### Special business and statement to be annexed

(vi) All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial

Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **Quorum**

44. i. The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:
- Number of members upto 1000: 5 members personally present
  - Number of members 1000-5000: 15 members personally present
  - Number of members more than 5000: 30 members personally present

### **If quorum not present, when meeting to be dissolved and when to be adjourned**

- ii. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

### **Chairman of General Meeting**

45. The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

### **When Chairman is absent**

46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

## **ADJOURNMENT OF MEETING**

49. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. 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. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

## **VOTING RIGHTS**

50. (i.) At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the



proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.

- (ii) a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.
- b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
- c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.

**51.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

#### **Joint holders**

**52.** In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

#### **Member of unsound mind**

**53.** A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

#### **Taking of poll**

**54.** (i) If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

#### **In what cases poll taken without adjournment**

(ii) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

#### **Business may proceed notwithstanding demand for poll**

(iii) A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; the demand for a poll may be withdrawn at any time by the person or persons who made the demand.

#### **Proxies permitted on polls**

(iv) On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

#### **No member entitled to vote while call due to Company**

**55.** No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.



56. 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. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

## PROXY

### Instrument of proxy

57. a. The instrument appointing a proxy shall be in writing under the hand of the appointer or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.
- b. A body corporate (whether a company within the meaning of this Act or not) may:
1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;
  2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.
- c. 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 which he represents, as if he were personally the member, creditor or debenture holder.

### Form of proxy

58. Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

### Validity of vote by proxy

59. i. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

### Instrument of proxy to be deposited at the office

- ii. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

## BOARD OF DIRECTORS

### Number of Directors

60. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

The Present Directors\* of the Company are:

- a) Pravinchandra Shamjibhai Dhanani
- b) Sureshkumar Babubhai Gajera
- c) Ashvinkumar Damjibhai Boda
- d) Chetankumar Makanbhai Patel
- e) Dhansukhbhai Nanjibhai Kakadiya

### Director's remuneration

61. a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions

of Section 197 and schedule V of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.

- b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
- c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.
- d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of this Article.

62. The Board may pay all expenses incurred in getting up and registering the company.

### 63. Rights of Directors

- (a) Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

#### Directors to comply with Section 184

- (b) Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

#### Directors power of contract with Company

- (c) Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

#### Register of Directors and KMP and their shareholding

- (d) The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

#### Business to be carried on

- (e) The business of the Company shall be carried on by the Board of Directors.

#### General Powers of Company vested in Directors

- (f) The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no

regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

#### **Attorney of the Company**

- (g) The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney 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 Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

#### **Power to authorise sub delegation**

- (h) The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

#### **Directors' duty to comply with the provisions of the Act**

- (i) The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

#### **To acquire and dispose of property and rights**

- (j) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

#### **To pay for property in debentures, etc.**

- (k) At their discretion to pay for any property, rights and 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 shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

#### **To secure contracts by mortgages**

- (l) To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

#### **To appoint officers, etc.**

- (m) To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks 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 fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.
- (n) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.

**To refer to arbitration**

- (o) To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

**To give receipt**

- (p) To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

**To act in matters of bankrupts and insolvents**

- (q) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

**To give security by way of indemnity**

- (r) 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 for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

**To give commission**

- (s) To give any person 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.

**To make contracts etc.**

- (t) 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 consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

**To make bye-laws**

- (u) From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

**To set aside profits for provided fund**

- (v) Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

**To make and alter rules**

- (w) (i) To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.  
(ii) And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

**Powers as to commencement of business**

- (x) Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **Delegation of power**

- (y) Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

### **Borrowing Powers**

- (z) The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a 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 specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

### **Assignment of debentures**

- (aa) Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

### **Terms of debenture issue**

- (bb) i. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
- ii. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
- iii. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid

shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called “Debenture Director”. The words “Mortgage” or “Debenture Director” shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

- iv. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.
- v. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

#### **Charge on uncalled capital**

- (cc) Any uncalled capital of the Company may be included in or charged by mortgage or other security.

#### **Subsequent assignees of uncalled capital**

- (dd) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

#### **Charge in favour of Director of indemnity**

- (ee) If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board 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 other person so becoming liable as aforesaid from any loss in respect of such liability.

#### **Powers to be exercised by Board only at meeting**

- (ff) A. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.
  - i. to make calls on shareholders in respect of money unpaid on their shares;
  - ii. to authorise buy-back of securities under section 68;
  - iii. to issue securities, including debentures, whether in or outside India;
  - iv. to borrow monies;
  - v. to invest the funds of the company;
  - vi. to grant loans or give guarantee or provide security in respect of loans;
  - vii. to approve financial statement and the Board’s report;
  - viii. to diversify the business of the company;
  - ix. to approve amalgamation, merger or reconstruction;
  - x. to take over a company or acquire a controlling or substantial stake in another company;
  - xi. to make political contributions;
  - xii. to appoint or remove key managerial personnel (KMP);
  - xiii. to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - xiv. to appoint internal auditors and secretarial auditor;
  - xv. to take note of the disclosure of director’s interest and shareholding;
  - xvi. to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
  - xvii. to invite or accept or renew public deposits and related matters;
  - xviii. to review or change the terms and conditions of public deposit;
  - xix. to approve quarterly, half yearly and annual financial statements or financial results as the case may be.
  - xx. such other business as may be prescribed by the Act.
- B. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses iv, v and vi above.



- C. Every resolution delegating the power set out in Sub-clause iv shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.
- D. Every resolution delegating the power referred to in Sub-clause v shall specify the total amount up to which the funds may be invested and the nature of investments which may be made by the delegate.
- E. Every resolution delegating the power referred to in Sub-clause vi above shall specify the total amount up to which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

#### **Register of mortgage to be kept**

- (gg) The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

#### **Register of holders of debentures**

- (hh) Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.

#### **Inspection of copies of and Register of Mortgages**

- (ii) The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

#### **Supplying copies of register of holder of debentures**

- (jj) The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

#### **Right of holders of debentures as to Financial Statements**

- (kk) Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

#### **Managing Director's power to be exercised severally**

- (ll) All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.

- 64. All cheques, promissory notes, drafts, hund is, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

#### **Additional Directors**

- 66. i. The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under



Article 60 above. Any person so appointed as an Additional Director shall hold office up to the date of the next Annual General Meeting of the Company.

### **Managing Director**

- ii. a. Subject to the provisions of Section 196, 197, 2(94), 203 of the Act, the following provisions shall apply:
- b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.
- c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.
- d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
- e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
- f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 63 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

### **Whole-time Director**

- iii. a. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Wholetime Director or Wholetime Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.
- b. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

### **Alternate Directors**

- iv. (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the Original Director” during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

### **Independent Directors**

- v. (a) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or applicable Regulations of SEBI(LODR) Regulations, 2015, whichever is higher, from time to time.
- (b) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013.
- (c) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and shall not be liable to retire by rotation.

### **Women Director**

- vi. The Directors shall appoint one women director as per the requirements of section 149 of the Act.

### **Debenture Director**

- vii. Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and reappoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company.

The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

### **Corporation/Nominee Director**

- viii. a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as “The Corporation”) out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).

- b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s. The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

- c. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 60.

### **Disclosure of interest of Directors**

- ix. a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.
- Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.
- b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

#### **Rotation and retirement of Directors**

- x. At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

#### **Retiring Directors eligible for re-election**

- xi. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

#### **Which Directors to retire**

- xii. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

#### **Retiring Directors to remain in office till successors are appointed**

- xiii. Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

#### **Power of General Meeting to increase or reduce number of Directors**

- xiv. Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 60 and may also determine in what rotation the increased or reduced number is to retire.

#### **Power to remove Directors by ordinary resolution**

- xv. Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

### **Rights of persons other than retiring Directors to stand for Directorships**

- xvi. Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be “along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution”.

### **Vacation of office by Directors**

xvii. Office of a Director shall be vacated if:

1. he is found to be unsound mind by a Court of competent jurisdiction;
2. he applies to be adjudicated as an insolvent;
3. he is an undischarged insolvent;
4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
7. he has not complied with Subsection (3) of Section 152
8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
11. he becomes disqualified by an order of a court or the Tribunal
12. he is removed in pursuance of the provisions of the Act,
13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

Notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:

- (a) for thirty days from the date of the adjudication, sentence or order;
- (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
- (c) where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

## **PROCEEDINGS OF THE BOARD**

### **Meeting of the Board**

67. (i) The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

### **Director may summon meeting**

- (ii) A Director may at any time request the Secretary to convene a meeting of the Directors and seven days' notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

### **Question how decided**

68. a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

### **Right of continuing Directors when there is no quorum**

69. (i) The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number if reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

### **Quorum**

- (ii) The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

### **Qualification of Directors**

- (iii) Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

### **Directors may act notwithstanding vacancy**

- (iv) The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 69(i) above:

### **Chairman or Vice-chairman of the Board**

- (v) a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.
- b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.

### **Casual vacancy**

- (vi) If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

### **Election of Chairman to the Board**

70. If no person has been appointed as Chairman or Vice Chairman under Article 69(v)(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

### **Power to appoint Committees and to delegate**

71. a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

#### **Delegation of powers**

- b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.
- c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.

#### **Proceedings of Committee**

- d. The meeting and proceedings of any such Committee 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 not superseded by any regulations made by the Directors under the last proceeding Article.

#### **Election of Chairman of the Committee**

72. a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.
- b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

#### **Question how determined**

73. a. A Committee may meet and adjourn as it thinks proper.
- b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

#### **Acts done by Board or Committee valid, notwithstanding defective appointment, etc.**

74. All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

#### **Resolution by circulation and Minutes**

75. (i) Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

#### **Minutes**

- (ii) a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
- b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.



## **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

### **Key Managerial Personnel**

76. Subject to the provisions of the Act,—

- (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;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- (iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

### **Manager**

Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

### **Secretary**

The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.

77. 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 officers 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.

## **COMMON SEAL**

### **Common Seal**

78. (i) The Board may provide for a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.

### **Affixture of Common Seal**

- (ii) The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

## **DIVIDENDS AND RESERVES**

### **Rights to Dividend**

79. i. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

### **Declaration of Dividends**

- ii. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended



by the Board.

### **What to be deemed net profits**

- iii. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

### **Interim Dividend**

- 80. i. 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.

### **Dividends to be paid out of profits only**

- ii. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

### **Reserve Funds**

- 81. a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper 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, think fit.
- b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

### **Method of payment of dividend**

- 82. a. Subject to the rights of persons, if any, entitled to share 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.
- b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
- c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

### **Deduction of arrears**

- 83. (a) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

### **Adjustment of dividend against call**

- (b) Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

### **Payment by cheque or warrant**

- 84. a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly 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 in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
- b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

### **Retention in certain cases**

85. (A) The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

### **Receipt of joint holders**

- (B) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:
- i. transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
  - ii. Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.
- (C) Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

### **Notice of Dividends**

86. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

### **Dividend not to bear interest**

87. (a) No dividend shall bear interest against the Company.

### **Unclaimed Dividend**

- (b) No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

### **Transfer of share not to pass prior Dividend**

- (c) Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

## **ACCOUNTS**

### **Books of account to be kept**

88. a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
- b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.
- c. The books of accounts shall be open to inspection by any Director during business hours.

### **Where books of account to be kept**

- d. The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

### **Inspection by members**

- e. The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

### **Statement of account to be furnished to General Meeting**

- f. The Board shall lay before such Annual General Meeting , financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

### **Financial Statements**

- g. Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

### **Authentication of Financial Statements**

- h.
  - i. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.
  - ii. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

### **Auditors Report to be annexed**

- i. The Auditor's Report shall be attached to the financial statements.

### **Board's Report to be attached to Financial Statements**

- j. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.
- k. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.
- l. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.
- m. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 88(h).
- n. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (j) to (n) of this Article are complied with.

### **Right of member to copies of Financial Statements**

- o. The Company shall comply with the requirements of Section 136.

### **Accounts to be audited**

- p.
  - i. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
  - ii. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.
  - iii. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.

- iv. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.
- v. The Company shall, within seven days of the Central Government's power under Subclause (iv) becoming exercisable, give notice of that fact to that Government.
- vi. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.  
Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and
- 2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.
- vii. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- viii. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.
- ix. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- x. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

#### **Audit of Branch Offices**

- q. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

#### **Remuneration of Auditors**

- r. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.

#### **Rights and duties of Auditors**

- s. a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.
- b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:
  - 1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and
  - 2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.
- d. The Auditor's Report shall also state:
  - (a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;

- (b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
  - (c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
  - (d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
  - (e) whether, in his opinion, the financial statements comply with the accounting standards;
  - (f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
  - (g) whether any director is disqualified from being appointed as a director under subsection (2) of section 164;
  - (h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - (i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
  - (j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;
  - (k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - (l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.
- f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

#### **Accounts whether audited and approved to be conclusive**

- t. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

### **WINDING UP**

#### **Winding up**

89. i. Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities *pari-passu* and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

#### **Division of assets of the Company in specie among members**

- ii. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

### **INDEMNITY AND RESPONSIBILITY**

#### **Directors' and others' right to indemnity**

90. a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors

out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.

- b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages 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 judgement or oversight on his part of for any 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 act or default.

## **OTHERS**

### **SECRECY CLAUSE**

91. a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, 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, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

### **REGISTERS, INSPECTION AND COPIES THEREOF**

92. a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days' notice to the company about his intention to do so.
- b. Any Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

### **GENERAL AUTHORITY**

93. Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

### **AUTHENTICATION OF DOCUMENTS**

#### **Authentication of document and proceeding**



94. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

## **ANNUAL RETURNS**

### **Annual Returns**

95. The Company shall make the requisite annual return in accordance with Section 92 of the Act.

## **SERVICE OF NOTICE**

### **Service of documents on the Company**

96. A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

### **How documents to be served to members**

97. a. A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
- b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
- c. Where a document is sent by post:
- i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
  - ii. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
  - iii. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

### **Members to notify address in India**

98. Registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

### **Service on members having no registered address in India**

99. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

### **Service on persons acquiring shares on death or insolvency of members**

100. A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

### **Notice valid though member deceased**



**101.** Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

#### **Persons entitled to Notice of General Meeting**

**102.** Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;

- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the company; and
- (c) every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

#### **Advertisement**

**103. a.** Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.

**b.** Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

#### **Transference, etc. bound by prior notices**

**104.** Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

#### **How notice to be signed**

**105.** Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

## **SECTION XV – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus, will be delivered to the ROC for filling of the Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Block No-414, Plot No-49 to 55,58 to 64, B/h Sai Service Center, Vill-Pipodara, Tal-Mangrol, Pipodara, Surat – 394110, Gujarat, India, from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **A. MATERIAL CONTRACTS**

1. Memorandum of Understanding dated July 04<sup>th</sup>, 2024 between our Company and the Lead Manager.
2. Agreement dated June 27<sup>th</sup>, 2024 executed between our Company and the Registrar to the Issue Bigshare Services Private Limited).
3. Underwriting Agreement dated [●] between our Company, the Lead Manager and the Underwriter.
4. Market Making Agreement dated [●] between our Company and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated March 16<sup>th</sup>, 2023.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated April 12<sup>th</sup>, 2023.
7. Banker's to the Issue Agreement dated [●] between our Company, the Lead Manager, Bankers to the Issue and Refund Banker and the Registrar to the Issue.

#### **B. MATERIAL DOCUMENTS**

1. Certified true copy of the Memorandum and Articles of Association of our Company including Initial Certificates of Incorporation and Certificates of Incorporation after conversion.
2. Board Resolution dated July 24<sup>th</sup>, 2023 and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on August 01<sup>st</sup>, 2023.
3. Statement of Tax Benefits dated January 09<sup>th</sup>, 2025 issued by our Statutory Auditors M/s KARMA & Co LLP, Chartered Accountants.
4. Copy of Restated Financial Statement along with Report from the peer review certified auditor M/s KPCM & Co., Chartered Accountant for the period ended September 30<sup>th</sup>, 2024 and for the financial year ended on March 31<sup>st</sup>, 2024, 2023 and 2022 included in the Draft Prospectus.
5. Copy of Audited Financial Statement for the period ended September 30<sup>th</sup>, 2024 and for the financial years ended on March 31<sup>st</sup>, 2024, 2023 and 2022.
6. Certificate on Key Performance Indicators Issued by the Statutory Auditor of the Company dated December 05<sup>th</sup>, 2024;
7. Resolution of Audit Committee Meeting dated December 05<sup>th</sup>, 2024 for approval of Key Performance Indicators.
8. Copy of Certificate from M/s KPCM & Co., Chartered Accountant dated December 05<sup>th</sup>, 2024, regarding the source and deployment of funds towards the objects of the Issue.
9. Consent of Promoters, Board of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors and Peer review Auditor, Legal Advisor to the Issue, Bankers of our Company, Lead Manager to the Issue, Underwriter to the Issue\*, Market Maker to the Issue\*, Registrar to the Issue and Banker to the Issue\* to include their names in the Draft Prospectus to act in their respective capacities.  
*\*to be obtained prior to filling of Final Prospectus.*
10. Board Resolution date January 31<sup>st</sup>, 2025 for approval of Draft Prospectus, Board Resolution dated [●] for approval of Prospectus.
11. Due Diligence Certificate from Lead Manager dated [●].
12. Copy of In-principle approval letter dated [●] from the NSE.

Any of the contracts or documents mentioned in the Draft 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, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes. No material clause of Article of Association have been left out from disclosure having bearing on the IPO/disclosure.

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### Signed by the Directors of the Company:

NAME OF DIRECTORS	DESIGNATION	SIGNATURE
Mr. Chetankumar Makanbhai Patel	Chairman and Managing Director	Sd/-
Mr. Pravinchandra Shamjibhai Dhanani	Whole-Time Director	Sd/-
Mr. Sureshkumar Babubhai Gajera	Whole-Time Director	Sd/-
Mrs. Hinaben Pravinchandra Dhanani	Non-Executive Director	Sd/-
Mr. Rajesh Kalubhai Mepani	Independent Director	Sd/-
Mr. Naresh Purushottambhai Lakhani	Independent Director	Sd/-

### Signed by:

NAME	DESIGNATION	SIGNATURE
Mr. Dhansukhbhai Nanjibhai Kakadiya	Chief Financial Officer	Sd/-
Mr. Ashvinkumar Damjibhai Boda	Chief Executive Officer	Sd/-
Ms. Jayshree Jagdish Prasad Mundhra	Company Secretary & Compliance Officer	Sd/-

**Place: Surat**

**Date: 31<sup>st</sup> January, 2025**