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BARCELONA STITCHED TEXTILES LIMITED

CIN: U17120GJ2015PLC084962

DRAFT RED HERRING PROSPECTUS

Dated: June 17, 2022

Please read section 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be

updated upon filing with the RoC)

100% Book Built Issue

Registered & Corporate Office	Contact Person	Email and Telephone	Website
1 st Floor, Barcelona House, B/S.Star House. Opp-Shell Pump Road, Prahladnagar, Satellite Ahmedabad – 380015, Gujarat, India	Ms. Shivani Pathak, Company Secretary & Compliance Officer	Email ID: cs@barcelonaclub.in Tel No: +91 97271 23838	www.barcelonaclub.in

NAMES OF PROMOTERS OF THE COMPANY

MR. JAIMIN KAILASH GUPTA

DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS

Type	Fresh Issue Size (by amount in ₹ Lakh)	OFS Size (by no. of shares or by amount in ₹ Lakh)	Total Issue Size	Eligibility – 6(1) / 6(2) & Share Reservation amount QIB, NIB & RIB		
Fresh Issue	Upto 20,000 lakh	Nil	Upto 20,000 lakh	The Offer is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations.		
				Share Reservations amongst QIBs, NIBs AND RIBs		
				QIBs	NIBs	RIBs
				☐	☐	☐

OFS: Offer for Sale

Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders:

- NIL -

RISKS IN RELATION TO THE FIRST ISSUE – The face value of the Equity Shares is ₹1/- each. The Floor Price, Cap Price and Offer Price determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Offer Price*” on page 80 should not be considered 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 RISK

Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in the Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares issued in the Offer 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 Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 25 of this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE and NSE. For the purposes of the Offer, [●] is the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 FINSHORE <i>Creating Enterprise Managing Values</i> FINSHORE MANAGEMENT SERVICES LIMITED Anandlok Building, Block-A, 2 nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal, India Contact Person: Mr. S. Ramakrishna Iyengar Telephone: 033 – 22895101 Email: ramakrishna@finshoregroup.com	 BIGSHARE SERVICES PRIVATE LIMITED Office No S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093 Contact Person: Mr. Swapnil Kate Telephone: 022-62638200 Email: ipo@bigshareonline.com
ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]



BARCELONA

STITCHED TEXTILES LIMITED

DRAFT RED HERRING PROSPECTUS

Dated: June 17, 2022

Please read section 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be

updated upon filing with the RoC)

100% Book Built Issue

Our Company was originally incorporated as **“Stitched Textiles (OPC) Private Limited”**, a One Person Company on November 02, 2015 vide a fresh Certificate of Incorporation bearing Corporate Identity No. U17120GJ2015OPC084962 under the provisions of Companies Act, 2013 issued by Registrar of Companies, Ahmedabad. Subsequently, the One Person Company converted to Private Limited Company as **“Stitched Textiles Private Limited”** on November 11, 2019 vide certificate of incorporation bearing Corporate Identity No. U17120GJ2015PTC084962 under the provisions of Companies Act, 2013 issued by the RoC-Ahmedabad. Subsequently, the company was converted into Public Limited Company vide a fresh certificate of incorporation issued by ROC-Ahmedabad, consequent upon conversion from Private Limited to Public Company dated February 11, 2022 in the name of **“Stitched Textiles Limited”** vide Corporate Identification Number U17120GJ2015PLC084962. For further details, please refer **“History and Certain Corporate Matters”** on page no 166 of this Draft Red Herring Prospectus.

Registered office: 1st Floor, Barcelona House, B/S. Star House, Opp-Shell Pump Road, Prahladnagar, Satellite, Ahmedabad – 380015, Gujarat, India

Contact Person: Ms. Shivani Pathak, Company Secretary & Compliance Officer; **Tel No:** +91 97271 23838, **E-Mail ID:** cs@barcelonaclub.in

Website: www.barcelonaclub.in; **CIN:** U17120GJ2015PLC084962

OUR PROMOTERS: MR. JAIMIN KAILASH GUPTA

INITIAL PUBLIC OFFERING OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 1/- EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 20,000 LAKH (“ISSUE”). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 1/- EACH. THE ISSUE PRICE IS [●] TIMES THE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (“SEBI ICDR REGULATIONS”), AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) (“BSE”) TOGETHER WITH NSE, THE “STOCK EXCHANGES”) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three (3) additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of ten (10) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members, and by intimation to Self-Certified Syndicate Banks (“SCSBs”), the Sponsor Bank and other Designated Intermediaries, as applicable. In case of force majeure, banking strike or similar circumstances, the Company may for reasons recorded in writing, extend the Bid/ Issue Period by at least three (3) additional working days subject to the total Bid/Issue Period not exceeding ten (10) Working Days.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”), read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company in consultation with the BRLMs (the “Anchor Investor Portion”), of which one-third shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (“Anchor Investor Allocation Price”). Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors (“Non-Institutional Category”) and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors (“Retail Category”), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount (“ASBA”) process, and shall provide details of their respective bank account (including UPI ID for Retail Individual Investors using UPI Mechanism) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or the Sponsor Bank. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see **“Offer Procedure”** on page 290.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 1/- each. The Floor Price, Cap Price and Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in the section entitled **“Basis for Issue Price”** on page 80 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 the 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 in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled **“Risk Factors”** on page 25 of this Draft Red Herring Prospectus.

COMPANY’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an ‘in-principle’ approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see **“Material Contracts and Documents for Inspection”** on page 382 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER TO THE ISSUE



FINSHORE
Creating Enterprise Managing Values

FINSHORE MANAGEMENT SERVICES LIMITED
Anandlok Building, Block-A, 2nd Floor, Room No. 207,
227 A.J.C Bose Road, Kolkata-700020, West Bengal
Telephone: 033 – 22895101
Email: ramakrishna@finshoregroup.com
Contact Person: Mr. S. Ramakrishna Iyengar
Website: www.finshoregroup.com
Investor Grievance Email: info@finshoregroup.com
SEBI Registration No: INM000012185
CIN No: U74900WB2011PLC169377

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East), Mumbai – 400093
Contact Person: Mr. Swapnil Kate
Tel. No: 022-62638200; **Fax No:** 022-62638280;
E-mail: ipo@bigshareonline.com;
Website: www.bigshareonline.com;
Investor Grievance Email: investor@bigshareonline.com;
SEBI Registration No: INR000001385
CIN No: U99999MH1994PTC076534

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

- Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one (1) Working Day prior to the Bid / Issue Opening Date.
- Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs, one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulation.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise specified or indicates, requires or implies, shall have the meaning as provided below. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

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

General Terms

Term	Description
“Company”, “our Company”, “Stitched”, “the Company”, “the Issuer” or “STL”	Stitched Textiles Limited, a public limited company incorporated under the provision of Companies Act, 2013, having its registered office at 1 st Floor, Barcelona House, B/S. Star House. Opp-Shell Pump Road, Prahladnagar, Satellite, Ahmedabad – 380015, Gujarat, India
“we”, “us”, or “our”	Unless the context otherwise requires, our Company together with our Associates and our Group Companies

Company Related Terms

Term	Description
Articles/ Articles of Association/ AOA	Articles/ Articles of Association of our Company, as amended from time to time.
Associate	The Associate of our Company being Viru Retail Private Limited
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, the details of which are provided in “Our Management” on page 171.
Auditors/Statutory Auditors	The statutory auditors of our Company, J.S.Maheshwari & Co., Chartered Accountants.
“Board”/ “Board of Directors”	The board of directors of our Company, or a duly constituted committee thereof
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer being Shivani Pathak
Chief Financial Officer/CFO	Chief Financial Officer of our Company being Dharmesh Tripathi
Corporate Social Responsibility Committee/ CSR Committee	The committee of the Board of Directors constituted as our Company’s corporate social responsibility committee in accordance with the Section 135 of the Companies Act, 2013.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of ₹ 1/- each.
Executive Directors / Whole Time Directors	Executive Director of our Company being Jaimin Kailash Gupta
Group Companies	Companies (other than subsidiaries) identified as in “Group Companies” in the Section titled “Our Group Companies” on page 188.
Independent Directors	Independent Directors of our Company being Yesha Aagam Shah, Rushabh Anilkumar Shah and Premaram Jaitaram Patel
IPO Committee	The committee constituted by our Board for the Issue, as described in “Our Management” on page 171
Key Managerial Personnel/KMP	Those individuals described in the sub-Section titled “Our Management” on page 171

Term		Description
Managing Director		Managing Director of our Company being Jaimin Kailash Gupta
Memorandum/Memorandum of Association/MoA		Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee		The committee of the Board of Directors reconstituted as our Company's nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178(1) of the Companies Act, 2013, the details of which are provided in " <i>Our Management</i> " on page 171
Non-Executive Directors		Non-Executive Directors of our Company being Kresha Kailash Gupta
Promoters		The Promoters of our Company being Jaimin Kailash Gupta
Promoter Group		The persons and entities constituting our promoter group pursuant to Regulation
Registrar of Companies/ ROC		Registrar of Companies - Ahmedabad, Gujarat
Registered Office		The Registered office of our Company, situated at 1 st Floor, Barcelona House, B/S. Star House. Opp-Shell Pump Road, Prahladnagar, Satellite, Ahmedabad – 380015, Gujarat, India
Restated Financial Statements /Restated Financial Information/ Consolidated Financial Information		Restated consolidated financial statements of our Company and its Associate for the ten-month period ended January 31, 2022 and Fiscals 2021, 2020 and 2019 prepared in accordance with Ind AS and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations. For details, see " <i>Financial Information as Restated</i> " on page 194
Shareholders		Shareholders of our Company, from time to time.
Stakeholders' Relationship Committee		The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see " <i>Our Management</i> " on page 171.

Issue Related Terms

Term		Description
Acknowledgement Slip		The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid Cum Application Form.
Allot/Allotment/ Allotted		Unless the context otherwise requires, the issue and allotment of the Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice		Note or advice or intimation of Allotment sent to each successful Bidder who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee		A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor Allocation Price		The price at which Equity Shares will be allocated to the Anchor Investor in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLM in the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form		The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Issue period / Anchor Investor Bidding Date		The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price		The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM.

Term	Description
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, consisting of [●] Equity Shares, which may be allocated by our Company in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with SEBI ICDR Regulations.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor portion in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by a Bidder, other than Anchor Investors, to make a Bid and authorize a SCSB to block the Bid Amount in the ASBA account and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB which may be blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
ASBA Bidders	All Bidders except Anchor Investors who make a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Bidders and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Issue/ “Sponsor Bank”/ “Refund Bank”/ “Public Issue Bank”	[●]
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in “Issue Procedure” on page 290.
Bid(s)/Bidding	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than Anchor Investor) pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account, as the case maybe, upon submission of the Bid in the Issue.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form including through UPI mode (as applicable), as the context requires.
Bid Lot	[●] Equity Shares and in multiple of [●] Equity Shares, thereafter.
Bid/ Issue Closing Date	Except in relation to the Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●] which shall be published in English national daily newspaper, Hindi national daily newspaper and Gujarati regional daily newspaper, being the regional language of Gujarat, where our Registered Office is located, each with wide circulation. In case of any extension, the extended Bid/Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Member, as required under the SEBI ICDR Regulations and also intimate to SCSBs, the Sponsor Bank, and Registered Brokers, RTA and CDPs.
Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one (01) Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.	

Term	Description
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting ASBA Bids for the Issue being [●].
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which the Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one (01) Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied includes an ASBA Bidder and an Anchor Investor.
Bidding Centers	The centers at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manage/ BRLM	The book running lead manager to the Issue, being Finshore Management Services Limited
Broker Centers	Broker centers notified by the Stock Exchanges, where Bidders can submit the ASBA 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 respective Stock Exchanges (www.bseindia.com and www.nseindia.com) and are updated from time to time.
CAN / Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Issue Period.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s)/ CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in .
Cut-off Price	The Issue Price, will be finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders (subject to the Bid Amount being up to ₹ 200,000) are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, bank account details and UPI ID wherever applicable.
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges. (www.bseindia.com and www.nseindia.com).
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and the instructions

Term	Description
	are issued to the SCSBs (in case of RIBs using UPI mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, after the Prospectus is filed with the RoC.
Designated Intermediary(ies)	The Members of the Syndicate, sub-syndicate or agents, SCSBs (other than RIBs using the UPI mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where Bidders, except Anchor Investors can submit the ASBA Forms to RTAs.
	The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This Draft Red Herring Prospectus dated June 17, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including the price at which the Equity Shares will be allotted and the size of the Issue, including any addenda or corrigenda thereto.
DP ID	Depository Participant's identity number
Eligible NRI(s)	NRI eligible to invest under Schedule III and Schedule IV of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchanges in relation to our Equity Shares.
Escrow Account(s)	The 'no-lien' and 'no-interest bearing' account(s) opened for the Issue with the Escrow Collection Bank and in whose favour the Bidders (excluding ASBA Bidders) may issue or transfer money through direct credit/NACH/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement dated [●] entered into by our Company, the Registrar to the Issue, the BRLM, the Escrow Collection Bank(s), the Sponsor Bank and the Refund Bank(s), for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
First Bidder/Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of a joint Bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.

Term	Description
Issue Agreement	The agreement dated May 23, 2022 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price within the Price Band at which the Equity Shares will be Allotted to successful Bidders (other than Anchor Investor) in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Manager on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 68 of this Draft Red Herring Prospectus.
Issue/Issue Size	Initial Public Offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Shares), aggregating up to ₹ 20,000 lakh.
Maximum RIB Allottees	The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids received at or above the Issue Price.
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	[●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Proceeds	Proceeds of the Issue less our Company’s share of Issue related expenses. For further information about the Issue related expenses, see “ <i>Objects of the Issue</i> ” on page 68.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders or NIBs	All Bidders including FPI’s that are not QIBs (including Anchor Investor) or Retail Individual Bidders, bidding in the QIB Portion or Retail Portion, if any respectively and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Net Offer being not more than 15% of the Net Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Non-Resident Indian/NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
Non-Resident/ NR	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.
Pre-Issue Advertisement	The pre-Issue advertisement to be published by our Company under Regulation 43 of the SEBI ICDR Regulations and Section 30 of the Companies Act, 2013 after filing of the Red Herring Prospectus with the RoC, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation, respectively.
Price Band	Price Band of a minimum price of ₹ [●]/- per Equity Share (Floor Price) and the maximum price of ₹ [●]/- per Equity Share (Cap Price), including any revisions thereof. The Price Band and minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM and will be advertised, at least two (2) Working Days prior to the Bid/Issue Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with BRLM will finalise the Issue Price.

Term	Description
Promoters' Contribution	In terms of Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share capital of our Company held by our Promoters which shall be considered as Promoters' contribution and locked in for a period of eighteen months from the date of allotment.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price that is determined through the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	The 'no-lien' and 'no-interest bearing' account to be opened under Section 40(3) of the Companies Act, 2013, with the Public Issue Account Bank to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Issue Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●].
QIB Bid Closing Date	In the event our Company, in consultation with the BRLM, decides to close Bidding by QIBs one day prior to the Bid Closing Date, the date which is one day prior to the Bid Closing Date; otherwise, it shall be the same as the Bid Closing Date.
QIB Portion/QIB category	The portion of the Net Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company in consultation with the Book Running Lead Manager up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers/QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, and includes any addenda and corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three (3) Working Days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The 'no-lien' and 'no-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS or NEFT, as applicable.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars issued by SEBI.
Registrar Agreement	The registrar agreement dated April 28, 2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/RTAs	The registrar and the share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the websites of BSE and NSE.
Registrar to the Issue /Registrar	Bigshare Services Private Limited

Term	Description
Retail Individual Bidders(s)/RIB(s)	Resident Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta) and Eligible NRIs.
Retail Portion	The portion of the Issue being not more than 10% of the Issue comprising of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can withdraw or revise their Bids until Bid/Issue Closing Date.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from the Bidders, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.
Sponsor Bank	[●], being a Banker to the Issue registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI.
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	The agreement dated [●], entered into between the BRLM, the Syndicate Members, our Company and Registrar to the Issue in relation to the collection of the ASBA Forms by the Syndicate Members.
Syndicate Members	Intermediaries registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Issue, and to carry out activities as an underwriter, in this case, [●].
Syndicate/ Members of the Syndicate	The BRLM and the Syndicate Members.
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriters	[●]
Underwriting Agreements	The agreement dated [●] entered into among the Underwriters and our Company on or after the Pricing Date but prior to the filing of the Prospectus with the RoC.
UPI	Unified Payment Interface.
Unified Payment Interface or UPI	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account.
UPI Circulars / SEBI UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no.

Term	Description
	SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	Process for applications by RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter or a fraudulent borrower	A Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges. “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars.

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
Category I AIF	AIFs which are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations.
Category II AIF	AIFs which are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations.
Category III AIF	AIFs which are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations.
Category I FPI(s)	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II FPI(s)	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
Category III FPI(s)	FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013 as applicable.

Term	Description
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder.
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CRAR	Capital to Risk Asset Ratio
CSR	Corporate Social Responsibility
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's Identity Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instrument) Rules, 2019 duly amended
Financial Year/FY/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
INR or ₹ or ₹ Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering

Term	Description
IRDAI	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IRR	Internal rate of return
IST	Indian Standard Time
Insolvency Code	Insolvency and Bankruptcy Code, 2016
ISIN	International Securities Identification Number in this case being INE0KXQ01017
IT	Information Technology
Lacs	Lakhs
LIBOR	London Inter-Bank Offer Rate
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
MT	Metric Ton
MTPA	Metric Tonnes Per Annum
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House, a consolidated system of ECS.
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
PIO	Person of India Origin
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
ROE	Return on Equity
ROCE	Return on Capital Employed
RONW	Return on Net Worth
RTI	Right to Information, in terms of the Right to Information Act, 2005
Rule 144A	Rule 144A under the Securities Act
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

Term	Description
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Ind AS Transition Circular	SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TREDS	Trade Receivable Discounting System
TDS	Tax deducted at source
UAE	United Arab Emirates
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

Industry Related Terms

Term	Description
B2B	Business-to-Business
CII	Confederation of Indian Industry
COCO	Company Owned Company Operated
COVID-19	Coronavirus disease 2019
EBO	Exclusive Brand Outlets
FOCO	Franchisee Owned Company Operated
FOFO	Franchisee Owned Franchisee Operated
GDP	Gross Domestic Product
GVA	Gross value added
IIP	Index of Industrial Production
IMF	The International Monetary Fund
ISO	International Organisation for Standardization
Kg/cm ²	Kilogram per Square Centimetre
KV	Kilovolt
KVA	Kilovolt-ampere
LFS	Large Format Stores
LLC	Limited Liability Company
LLP	Limited Liability Partnership
MBO	Multi Brand Outlets
MSME	Micro, Small and Medium Enterprises
QA	Quality Assurance
QC	Quality Control
QMS	Quality Management System

Term	Description
R&D Division	Research and Development division
SiS	Shop-in-Shop
SKU	Single Known Unit
USD	United States Dollar

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 314, 83, 86, 157, 194, 256 and 290 respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective Sections.

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

Certain Conventions

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

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Consolidated Financial Information of our Company with our Associate. For further information, please see the Section titled “*Financial Information*” on page 194 of this Draft Red Herring Prospectus.

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

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

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

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 25, 132 and 230 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Statements of our Company, prepared in accordance with Ind AS, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 25, 86 and 132 respectively, this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to:

- 1 “Rupees” or “₹” or “INR” or “₹” are to Indian Rupee, the official currency of the Republic of India;
- 2 “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and

Our Company has presented all numerical information in this Draft Red Herring Prospectus in “lakh” units or in whole numbers where the numbers have been too small to represent in lakhs. One lac represents 1,00,000 and one million represents 10,00,000.

Exchange rates

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

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

Currency	Exchange Rate as on			
	January 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
1 USD*	74.97	73.53	75.38	69.17

(Source: RBI/FBIL Reference Rate)

*Exchange rate as on March 29, 2019, as FBIL Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 25, this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Certain information in “Industry Overview” and “Our Business” on pages 86 and 132, respectively of this Draft Red Herring Prospectus has been obtained, derived or extracted from our own in-house research from publicly available information, data, statistics, various government publication, industry sources and the industry report titled “Market Report on Textile and Apparel Industry” prepared by ITCOT Limited dated June 10, 2022 which has issued the following disclaimer:

“ITCOT Limited has taken due care and caution in preparing this report (Report) based on the Information obtained by ITCOT from sources which it considers reliable (Data). However, ITCOT does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. ITCOT especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as ITCOT providing or intending to provide any services in jurisdictions where ITCOT does not have the necessary permission and/or registration to carry out its business activities in this regard. Stitched Textiles Limited will be responsible

for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. The views expressed in this Report are that of ITCOT. No part of this Report may be published/reproduced in any form without ITCOT's prior written approval."

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on page 80 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM has independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

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

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

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

- The COVID-19 pandemic or any future pandemic or widespread public health emergency could adversely affect our business, results of operations, financial condition and cash flows;
- All of our products are sold under a single brand, ‘BARCELONA’;
- We may be unable to adequately protect our trademarks;
- Our business prospects depend on the strength of our key brand, and any failure to maintain or grow sales of our products could adversely affect our business;
- If any new products or brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected;
- Inability to effectively manage or expand our retail network;
- Ability to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner;
- Current locations of our Exclusive Brand Outlets may become unattractive, and suitable new locations may not be available for a reasonable price, if at all;
- Operation from a single warehouse located at Narol, Ahmedabad, Gujarat;
- Inability to identify customer demand accurately and maintain an optimal level of inventory in our stores;
- Inability to promptly identify and respond to changing customer preferences or evolving trends;
- Dependency on third-parties for the manufacturing of all the products;
- Other than designing of our products, we rely on outsourcing our production processes and activities to third-parties, without exclusivity arrangements. Any inability to obtain sufficient quantities of attires and accessories of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third parties’ operations and performance, could adversely affect our business, results of operations and financial condition;
- Inability to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Promoters, Promoter Group and Group Companies and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contract and work contracts without cause and with little or no notice or penalty; and
- Other factors beyond our control;

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 25, 132 and 230, respectively, of this Draft Red Herring Prospectus. By their nature, certain market risk

disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

In accordance with the SEBI ICDR Regulations, our Company will ensure that the Investors are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Issue.

SUMMARY OF OFFER DOCUMENT

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the Sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoters and Promoter Group*”, “*Financial Statements*”, “*Objects of the Issue*”, “*Our Business*”, “*Issue Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 25, 86, 256, 185, 194, 68, 132, 290 and 314, respectively.

A. Summary of Industry

India is the world's second-largest exporter of textiles and apparel with a massive raw material and manufacturing base. The textiles industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about 7% to industry output, 2% to the GDP and 15% to the country's total export earnings. The sector is one of the largest job creators in the country, employing about 45 million people directly.

The Garment Industry of India is an Rupees One trillion industry. Almost 33% of its knitwear production and about 20% of its woven-garment production, both by volume, enters export markets. Overall about 25% of the volume of its garment production goes into export markets, leaving 75% for domestic consumption.

Readymade Garments exports grow 19% in February 2022 where Readymade Garments exports were to the tune of USD 1600.2 million in February, 2022 showing a positive growth of 18.7% against the corresponding month of February, 2021 and a growth of 8.3% against February, 2020. Cumulative RMG exports for the period Apr-Feb; 2021-22 is USD 14278.0 mn showing a positive growth of 31.5% against the period Apr-Feb, 2020-21.

In Rupee terms, readymade garments exports were to the tune of INR 12002.0 crore in February, 2022 showing a positive growth of 22.3% against the corresponding month of February, 2021 and a positive growth of 13.9% against February, 2020.

Source: ITCOT Report

For further details, please refer to the chapter titled “*Industry Overview*” on page 86 of this Draft Red Herring Prospectus.

B. Summary of Business

Our Company was initially established in the year 2015 as One Person Company Stitched Textiles (OPC) Private Limited founded by Mr. Jaimin Kailash Gupta and later expanded its operations and converted to Stitched Textiles Private Limited in the year 2019 and later in 2022, it was converted to a public limited Company by the name Stitched Textiles Limited. Our Company is well known by the brand name “BARCELONA” which personifies style, attitude, luxury and comfort.

Our Company is mainly into Menswear and deals in Suiting and shirting fabrics along with Garments in product categories such as Shirts, Denims, T-shirts, trousers, Cotton pants, Accessories etc. and operates around 85 stores in franchisee model in more than 50 cities in India, as of now.

Our Company is in the business of trading of fabrics to wholesalers and trading and manufacturing through outsourcing model (Job-work) by way of wholesale and retail selling of garments through its network of Exclusive Brand Outlets (EBO) under the name of BARCELONA. Our Company has started online trading through its own website at www.barcelonaclub.in for retail sales and through its B2B Application particularly for retailers and wholesalers who purchase in bulk for onward sales to end use customers. Further, our brands are also sold through online e-commerce platforms like Amazon, Flipkart and Meesho.

For further details, please refer to chapter titled “*Our Business*” and “*History and Certain Corporate Matters*” on pages 132 and 166 of this Draft Red Herring Prospectus.

C. Promoters

Mr. Jaimin Kailash Gupta is the Promoter of our Company.

For further details please see chapter titled “*Our Promoters and Promoter Group*” beginning on page 185 of this Draft Red Herring Prospectus.

D. Issue

Initial public offering of upto [●] equity shares for cash at a price of ₹ [●] per equity share (including a securities premium of ₹ [●] per equity share) (the “issue price”), aggregating upto ₹ 20,000 lakh.

For further details, please see chapter titled “*The Issue*” beginning on page 46 of this Draft Red Herring Prospectus.

E. Object of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

Particulars	Estimated Amount* (₹ in lakh)
Expansion of our Retail Network by launching Exclusive Brand Outlets (EBOs)	2,351.70
Expenditure for ‘Barcelona for Business’ B2B App Development	712.00
Expenditure to enhance the visibility and awareness of our Brand	2,000.00
Working Capital Requirements	13,334.70
General Corporate Purposes	[●]
Issue Related Expenses	[●]
Total	[●]

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 68 of this Draft Red Herring Prospectus.

F. Shareholding of Promoters and Promoter Group

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

Particulars	Pre-Issue Shareholding	
	Number of Shares	Percentage holding
Promoters		
Jaimin Kailash Gupta	4,91,88,670	81.32%
Promoter Group		
Nil	-	-
Total Promoters & Promoters Group	4,91,88,670	81.32%

For further details, please see chapter titled “*Capital Structure*” on page 58 of this Draft Red Herring Prospectus.

G. Summary of Restated Consolidated Financial Information

A summary of restated financial information as per the Restated Consolidated Financial Information is provided below:

(₹ in lakh, except otherwise mentioned)

Particulars	For the ten months period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Share Capital	604.86	46.12	1.00	1.00
Net Worth	787.33	213.47	2.61	2.08
Revenue from Operation	5838.08	1232.89	680.76	303.92
Profit after Tax	93.98	30.36	0.47	0.46
Earnings per share* (In ₹)	2.39	25.04	4.67	4.63
Earnings per share^ (In ₹)	0.24	2.50	0.47	0.46
Net Asset Value Per Equity Share* (In ₹)	13.02	46.28	26.09	20.77
Net Asset Value Per Equity Share^ (In ₹)	1.30	4.63	2.61	2.08
Total Borrowing	377.19	267.49	4.20	4.20

Notes:

* EPS and NAV not annualised for January 31, 2022.

^ as restated, divided by number of equity shares outstanding at the end of the period/year after giving retrospective effect of split of Equity Shares post restated period i.e., after January 31, 2022.

For further details, please refer the Section titled “Capital Structure” and “Financial Information as restated” on page 58 and 194 of this Draft Red Herring Prospectus.

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

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

I. Summary of Outstanding Litigation

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

Sr No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable In INR
1.	Filed against the Company		
	Direct Tax	-	-
2.	Filed against our Directors		
	Civil/Criminal Cases	-	-
	Direct Tax	-	-
3.	Filed by our Directors	1	Not quantifiable
4.	Filed against our Promoter Group		
	Direct Tax	10	2,91,12,132
	Civil/ Criminal Cases	10	Not quantifiable
5.	Filed by our Promoters & Promoter Group	2	Not quantifiable
6.	Filed against our Group Entities		
	Civil Cases	1	Not quantifiable
	Direct Tax	1	3,75,96,836

For further details, please refer the chapter titled “Outstanding Litigations and Material Developments” on page 256 of this Draft Red Herring Prospectus.

J. Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 25 of this Draft Red Herring Prospectus.

K. Summary of Contingent Liabilities

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Summary Statements.

L. Summary of Related Party Transactions

Following are the details as per the Restated Consolidated Financial Information:

(₹ in lakh)

Particulars	January 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Remuneration	7.70	6.00	-	2.93
Purchase of Goods	392.04	601.45	620.19	6.22
Sale of Goods	4,114.37	677.88	576.41	78.55
Purchase of Fixed Assets	66.04	-	-	-
Advances Given	317.13	581.99	443.04	223.21
Advances Received	217.24	263.47	528.66	242.51
Outstanding Trade Receivables	2,080.64	233.70	32.98	-
Outstanding Loans/Advances	-	8.30	-	6.76
Outstanding Loan (Liability)	-	1.50	76.17	13.21
Outstanding Trade Payable	847.99	12.10	12.99	-

For further details please refer “*Restated Consolidated Financial Information — Related Party Transactions*” at page 194 of this Draft Red Herring Prospectus.

M. Financing Arrangements

None of our Promoter, members of the Promoter Group, Directors or their relatives have entered into any financing arrangements to finance or have financed the purchase by any other person of the Equity Shares other than in the normal course of business of the financing entity during the six months preceding the date of this Draft Red Herring Prospectus.

N. Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year

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

Name of Promoter	No. of Equity Shares acquired	Face Value (in ₹)	Weighted average Price per Equity Share (in ₹)
Jaimin Kailash Gupta	3,81,099	10/-	91.23*
Jaimin Kailash Gupta	28582420	1/-	1.22^

As certified by J.S.Maheshwari & Co., Statutory Auditor of the Company, pursuant to certificate dated May 17, 2022

* Without considering Bonus and Split impact

^After considering Bonus and Split impact

O. Average Cost of Acquisition of Shares for Promoters

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

Name of Promoter	No. of Equity Shares held	Face Value (in ₹)	Average Cost of Acquisition (in ₹)
Jaimin Kailash Gupta	4,91,88,670	1/-	0.93*

As certified by J.S.Maheshwari & Co., Statutory Auditor of the Company, pursuant to certificate dated May 17, 2022

** Considering Bonus and Split impact*

P. Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

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

Following are the details of equity shares issued in the last one year for consideration other than cash or through bonus:

Date of Allotment	Number of Equity Shares allotted	Face Value (₹)	Issue Price (In ₹)	Consideration	Reason for Allotment	Benefit accruing to the company
December 31, 2021	52,42,158	10/-	Nil	N. A.	Bonus Allotment	Capitalization of Reserves

For further details, please refer to chapter titled - “*Capital Structure*” on page 58 of this Draft Red Herring Prospectus.

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

The face value of our equity shares has been sub divided from Face value of ₹ 10/- each to Face Value of ₹ 1/- each on February 17, 2022. Except as mentioned herein, our Company has not undertaken any further split or consolidation of Equity Shares in the last one year till the date of this Draft Red Herring Prospectus. For further details, please refer to chapter titled - “*Capital Structure*” on page 58 of this Draft Red Herring Prospectus.

S. Exemption from complying with any provisions of securities laws, if any, granted by SEBI

The Company has not sought for any exemptions from complying with any provisions of securities laws.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this draft red herring prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with the sections titled “Industry Overview”, “Our Business”, “Key Regulations and Policies” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 86, 132, 157 and 230, respectively, as well as other financial and statistical information contained in this draft red herring prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Consolidated Financial Statements, included in this draft red herring prospectus. For further information, see “Financial Statements” on page 194.

To the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This draft red herring prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see “Forward-Looking Statements” beginning on page 18.

Unless otherwise indicated or the context requires otherwise, the financial information for Fiscals 2019, 2020 and 2021, and the Ten months ended January 31, 2022, included herein is based on our Restated Consolidated Financial Statements included in this draft red herring prospectus. For further information, see “Financial Statements” on page 194. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, in this section, references to “we”, “us” or “our” refers to Stitched Textiles Limited on a consolidated basis and references to “the Company” or “our Company” refers to Stitched Textiles Limited on a standalone basis.

Unless stated otherwise, industry and market data used in this section have been obtained or derived from publicly available information as well as industry publications and sources such as the “Market Report on Textile and Apparel Industry” dated June 10, 2022 that has been prepared by ITCOT Limited, which report has been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. The ITCOT Report forms part of the material contracts for inspection, and is accessible on the website of our Company at: <https://barcelonaclub.in/about-us/>.

INTERNAL RISK FACTOR:

1. The name of the Promoter Mr. Jaimin Kailash Gupta was published in the list of wilful Defaulter by Bank of Baroda and subsequently quashed and set aside by High Court of Ahmedabad, Gujarat

Our Promoter was one of the directors of a company namely Hillary Fashion Cotfab Limited which had availed credit facilities from Bank of Baroda in May, 2014 for an amount of ₹ 500.00 lakh. Thereafter, the account of the said company was declared as NPA on 12.12.2015. Subsequently, the name of our Promoter (along with three others, including the said company) was published in the list of wilful Defaulters on 26.03.2021 by Bank of Baroda.

Challenging the said inclusion of the names in the wilful defaulter's list all the four parties had filed a joint application (Applicants) before the Hon'ble High Court of Gujarat vide Special Civil Application number 17491/2021 (registered on 24.11.2021). The Hon'ble High Court Vide its order dated 04.05.2022 has observed that the bank has failed to comply with the mechanism provided under the Revised Master Circular of the RBI dated 01.07.2015 and has violated the principles of natural justice, and thereby has quashed and set aside the action of the Bank identifying the account of the Applicants as wilful defaulters and subsequently reporting of the name of the Applicants to RBI/CIBIL as wilful defaulters. The Hon'ble High Court has remanded back this matter to the Identification Committee of the Bank to follow the procedure laid down in the master circular of the RBI dated 01.07.2015 and then send the matter to Review Committee of Bank.

The name of our Promoter (along with three others, including the said company) was showing in the wilful defaulters list published till 31.03.2022 for an amount outstanding of ₹ 402.28 lakh which is subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. The name of our Promoter was removed from the wilful defaulters list published till 30.04.2022.

We cannot assure you that, the Bank will not challenge the order of the Hon'ble High Court in any higher forum.

We also cannot assure you that, the subsequent action of the Identification committee and the Review Committee will not entail the name of the promoter to be included in the list of wilful defaulters.

However, Hillary Fashion Cotfab Limited has submitted their proposal vide their letter dated 19.02.2022 for One Time Settlement of the loan amount with Bank of Baroda and 10% of the proposed settlement amount has already been deposited to the Bank. The proposal is under consideration.

2. Our Promoter Mr. Jaimin Kailash Gupta has defaulted in repayment of loan in the past

Our Promoter Mr. Jaimin Kailash Gupta has availed a loan of ₹ 89.22 lakh approx. in the name of his proprietorship firm M/s. Hillary Fashion from the Bank of Baroda in the year 2015. He has also provided his personal guarantee towards such loan. As per the CIBIL Report of Mr. Jaimin Kailash Gupta, the loan has been shown as Loss Assets since January, 2020. Our Promoter Mr. Jaimin Kailash Gupta has declared that he has not received any default notice from the bank as on the date of this draft red herring prospectus. In case, the bank chooses to initiate legal action for the recovery of such loan which could have adverse effect in the reputation and financial position of the promoter and the issuer company in future.

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

We have entered into certain transactions with our related parties including our Promoters, the Promoter Group, Group Companies, our Directors and their relatives in compliance with the Companies Act, 2013, SEBI (LODR) Regulations, relevant Accounting Standards and other statutory compliances, as per details given below:

₹ in Lakhs

Particulars	31 st January 2022		March 31, 2021		March 31, 2020		March 31, 2019	
	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue
Remuneration	7.70	0.13	6.00	0.49	-	-	2.93	0.96

Particulars	31 st January 2022		March 31, 2021		March 31, 2020		March 31, 2019	
	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue
Purchase of Goods	392.04	6.72	601.45	48.78	620.19	91.10	6.22	2.05
Sale of Goods	4,114.37	70.47	677.88	54.98	576.41	84.67	78.55	25.85
Purchase of Fixed Assets	66.04	1.13	-	-	-	-	-	-
Advances Given	317.13	5.43	581.99	47.21	443.04	65.08	223.21	73.44
Advances Received	217.24	3.72	263.47	21.37	528.66	77.66	242.51	79.80
Outstanding Trade Receivables	2,080.64	35.64	233.70	18.96	32.98	4.84	-	-
Outstanding Loans/Advances	-	-	8.30	0.67	-	-	6.76	2.22
Outstanding Loan (Liability)	-	-	1.50	0.12	76.17	11.19	13.21	4.35
Outstanding Trade Payable	847.99	14.53	12.10	0.98	12.99	1.91	-	-

While we have taken care that all such transactions have been entered into on the arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer section "Related Party Transactions" on page 194 of Restated Consolidated Financial Information under chapter titled "Restated Financial Information" beginning on page 194.

4. *Our B2B application is programmed by third party software vendor and is not inhouse software and any service-related issues can have an adverse impact on our business operations*

Our B2B business is mainly run through our B2B mobile app which is made by third party software vendor and we are dependent on such third party for its maintenance and aftersales services of the app. Any delay in resolving the service-related issues or any non-cooperation from such vendors in rendering their service may adversely impact the B2B transactions, our reputation and our profitability.

5. *We are dependent on maintaining and enhancing awareness of our brands and we may not succeed in that to the extent desired.*

We believe that maintaining and enhancing the effectiveness of the brands in our brands portfolio is a major contributing factor to expand our consumer base. Maintaining and enhancing our owned brands may require us to make substantial investments in areas such as outlet operations, marketing and employee training, and these investments may not be successful. On the basis of our product and market-based research studies, which we conduct on an ongoing basis, we intend to continue to enhance the brand recall of our products through strategic branding initiatives, including through the use of social media and consumer engagement programs. We use various media channels to promote our brands including placing advertisements and commercials on television, newspapers, hoardings and on digital media and continue to aim at investing in marketing initiatives for brand recall, demand pull, create awareness about the product or enhance reputation of the brand. In the event marketing initiatives do not produce desired outcome, it may adversely impact business performance.

As we expand into new geographic markets, consumers in these markets may not accept our brands. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Since we have various brands that span over different price points, we may not be able to focus or have the resources to market all our brands. Additionally, our presence across various price points would require us to expend efforts and make investments on marketing multiple brands thereby increasing our costs. If we are unable to enhance the visibility of our brands and generate commensurate sales, it would have an adverse effect on our business and financial condition.

6. *We are dependent on our vendors to procure our products and do not have any manufacturing facilities of our own. Our business is therefore dependent to a large extent on expected performance and operation of our vendor partners.*

We currently do not own any manufacturing facilities and procure our products with our brand from various vendors which we distribute and sell. We are therefore dependent on third parties for the manufacturing of our products and maintenance of adequate inventory to ensure that we are able to procure products based on supply necessities. The operations of our vendors are subject to various operating risks, including some which are beyond their control, which may include breakdowns and failure of equipment, industrial accidents, employee unrest, severe weather conditions, natural disasters etc. We have not entered into any formal agreements with the vendors/manufacturers, except a few. We may be unable to replace our existing vendors at short notice, or at all, and may face delays in procurement and added costs as a result of the time required to develop new vendors to undertake manufacturing in accordance with our standard processes and quality control standards. If our vendors are unable to expand their manufacturing capabilities or face stoppage of the manufacturing process, we may not be able to tap growth opportunities in the branded apparels market. While we endeavour to have back-up arrangements in place to ensure adequate capacity and sourcing, we cannot assure you that we will always be able to arrange for alternate manufacturing capacity, or alternate sources of our raw materials, at prices acceptable to us, or at all, or that we will be able to pass on any increase in cost to our customers.

Sourcing our apparel products from new vendors may have an adverse impact on the quality of our products which may in turn have an adverse impact on our results of operations. Any inability on our part to arrange for alternate vendors, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition. While we strive to ensure that our outsourced manufacturers meet stringent quality requirements, we cannot guarantee that the outsourced manufacturers will duly comply with all required processes to ensure the maintenance of quality standards. While we strictly inspect the products upon receipt at our warehouse, any lacunae in quality standards could adversely affect the reputation of our brands. We exercise regular supervision over the manufacturing operations at the facilities of our vendors through our personnel who are either stationed at such facilities or periodically visit these facilities for inspections, enabling us to efficiently carry out production changes in designs or quantity of products required.

We also face the risk of legal proceedings and product liability claims being brought against us by various entities including customers, Franchisees, and online retailers, for defective products sold. We cannot assure that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. In the event that goods procured by us from external vendors or third-party manufacturers and sold to our customers suffer in quality or after sales service provided by them is unsatisfactory, our brand image and sales could be negatively impacted. Further, any damage or negative publicity in relation to the quality of our products may adversely affect our business and may lead to loss of reputation and revenue. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs. While our staff periodically visits and monitors the operations of our vendors, we do not control these vendors or their labour practices nor do we assess their labour practices, either during such visits or in determining sourcing allocations. The violation of or any suspected violation of, labour laws or other applicable regulations by our vendors, could have an adverse effect on our business and results of operations.

7. *If we are unable to procure raw materials, finished products and packing material of the required quality and quantity, at competitive prices, our business, results of operations and financial condition may be adversely affected.*

We source our raw materials and fabric from the local markets of Ahmedabad and outsources its job work to the various vendors/manufacturers mainly at Mumbai, New Delhi, Punjab, Ahmedabad etc. under the supervision of company personnel for designs and quality control. Our business operations require a sufficient and stable supply of raw materials and other goods. However, the amount of raw materials and other goods we require may fluctuate from time to time. We depend on third-party vendors for raw materials and goods used in the manufacture of our products. We also obtain certain finished products, for trading from third party Contract Manufacturers in India. Our financial performance depends largely on our ability to arrange from the sellers of such materials in sufficient quantities at competitive prices. We are not assured of continued provision or adequate pricing of raw materials. Any of our contract manufacturers could discontinue or seek to alter their relationship with us. However, given the vast network of contract manufacturers, we may always be able to identify alternates both within and outside of the geographic locations.

8. *We may be unable to adequately protect our trademarks under the brand name ‘BARCELONA’ and an inability to protect or use our intellectual property rights may adversely affect our business.*

Presently, our Company is using logo  ‘BARCELONA’ for which our company has made an application on 07/03/2022 with the Trade Marks Registry for registration of the logo under various classes 9, 25, 26, 35 and 42 which has been ‘objected’ as on date of this draft red herring prospectus.

However, one of our group company M/s. Vaxtex Cotfab Limited had earlier applied for a similar kind of logo  on 25/11/2020 which has been ‘Accepted and Advertised’ on 07/03/2022 by the Trade Marks Registry and provided a NOC to our Company to use the logo for our business operations.

We believe that trademarks are important assets to our business. In the absence of the trademark registration for the trademarks pertaining to our brand name, such as, ‘BARCELONA’, we may not be able to initiate an infringement action against any third party. We cannot assure you that we will be successful in such a challenge nor can we guarantee that eventually the trademark applications will be approved.

In the event such trademark is not approved or if registered in the name of a third-party, it could result in significant monetary loss or prevent us from selling our products under our brand name. In relation to our other pending applications, third-parties may seek to oppose or otherwise challenge these registrations. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. In addition, our current and future trademarks are subject to expiration and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows. *For further details, see “Government and Other Approvals” on page 266.*

9. *The growth of online retailers may create pricing pressures, increase competition, and adversely affect our business, results of operations and financial condition.*

Our sales are primarily carried out through our exclusive brand outlets and we have been strengthening our online channels including our own websites, and presence on e-commerce platforms to accept delivery orders placed on our website.

The introduction and growth of “online retail” (i.e., retail trading through online channels) has made online shopping a material part of our industry, and we believe the increasing presence of online-retailers and ecommerce platforms in India will have a significant impact on our business going forward. For instance, online retailers that exclusively have only an online presence and no physical presence, may be able to price their products lower by leveraging on their asset light model, while introducing newer products and maintaining quality control. Further, the presence of e-commerce platforms has increased competition with other retail brands. If online retailing continues to increase, it is possible that footfalls in our stores could decrease, especially in light of the COVID-19 pandemic and continuing lockdown and curfew orders in various regions in India, unless we are able to adapt our business model to account for this change in customer preference.

If we fail to sufficiently develop and strengthen our own channels of online shopping or find alternative means to serve the increasing number of customers who prefer shopping on alternate channels such as mobile applications.

While we believe that online retailers and ecommerce provide us with an opportunity to increase the visibility of our brands and an opportunity to improve our operational efficiencies, they may continue to gain market share and thus increase their relative negotiating power. We cannot assure you that we will be able to negotiate agreements with such online retailers on terms favourable to us or at all, such as in relation to margin or credit terms. Further, our competitors may be able to negotiate better or more favourable terms with such online retailers. Any inability on our part to further develop our own website, mobile application or enter into agreements with online retailers on terms favourable to us may have an adverse effect on our pricing, and our business and results of operations may be adversely affected. Additionally, online retailers may sell multiple brands of similar products other than ours on their platforms, possibly including similar products at discounted prices, enhancing customers’ comparisons of products and prices between our brands and other brands. We cannot assure you that customers of online retailers will continue to prefer our products over our competitors’. While we believe that our customers are attracted by our brands and/or in-store experience, our customers may prefer other brands sold by online retailers over our brands available online or through our offline

channels. If the number of customers, that choose other brands sold by online retailers instead of our online or offline channels, increases substantially, our online business and results of operations may be adversely affected.

10. A significant portion of our revenues through Exclusive Brand Outlets (EBOs) are derived from Franchisee Owned Franchisee Operated Stores (FOFO) model of business. Any failure to maintain relationships with such third parties could adversely affect our business, results of operations and financial condition.

As on January 31, 2022, our Company had 81 Exclusive Brand Outlets out of which 54 Outlets are operated under Franchisee Owned Franchisee Operated Stores (FOFO) model which contributes a turnover of ₹ 493.70 lakh (8.46% of total revenue from operations).

We operate a significant portion of our exclusive brand outlets through franchisees with whom we enter into franchise arrangements. As of May 31, 2022, we have 85 franchisee operated exclusive brand outlets. Periodically we may have to discontinue business with certain franchisees, for reasons including delay in payments and inability to meet the expected sales targets, among others. Our ability to terminate our arrangements with certain franchisees may be limited by the terms of our agreements with them.

We cannot assure you that we will be able to continue to renew the arrangements with these franchisees on terms that are commercially acceptable to us, or at all. We cannot assure you that such franchisees shall fulfil their obligations under such agreements entirely, or at all, shall not breach certain terms of their arrangements with us, including with respect to payment obligations or quality standards, or shall not choose to terminate their arrangements with our Company. We may have to initiate litigation in respect of any breach by such franchisees, and such litigation could divert the attention of our management from our operations, and be decided against us, which may adversely affect our business, financial condition and results of operations.

11. Our business is subject to seasonality.

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business before Festive Seasons and during end of season sales. As a result, our revenue and profits may vary significantly during different financial periods and certain periods may not be indicative of our financial position for a full financial year and may be significantly below the expectations of the market, analysts and investors. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. Further, any decrease in sales during festive period may adversely affect our business, results of operations and financial condition.

12. A majority of our supplies for our operations are obtained from a limited number of suppliers.

During Fiscal 2019, Fiscal 2020, Fiscal 2021 and for the ten-month period ended January 31, 2022, our top 5 (five) suppliers contributed ₹ 178.78 lakh, ₹ 664.62 lakh, ₹ 746.61 lakh and ₹ 4511.02 lakh comprising of 60.80%, 92.40%, 59.00% and 75.15% respectively, of our total purchases Fabrics, Garments and Accessories etc.

Purchase of Fabrics from Related parties contributed ₹ 6.22 lakh, ₹ 620.19 lakh, ₹ 601.45 lakh and ₹ 392.04 lakh comprising of 2.12%, 86.26%, 47.53% and 6.91% of total purchase, during Fiscal 2019, Fiscal 2020, Fiscal 2021 and ten-months period ended January 31, 2022 respectively. The purchase from related entities is done for the purpose of easy availability of materials at competitive price. We have not entered into any definitive agreements with our suppliers and who may terminate the relationships with us at any given point of time, which may adversely impact our operations.

13. A significant majority of our revenues from operations are derived from a limited number of customers.

During Fiscal 2019, Fiscal 2020, Fiscal 2021 and ten-months period ended January 31, 2022, our top 5 (five) customers contributed ₹ 211.11 lakh, ₹ 615.85 lakh, ₹ 944.95 lakh and ₹ 4010.29 lakh comprising of 69.46%, 90.46%, 76.65% and 68.69%, respectively, of our total revenue from operations.

Sales to Related parties contributed ₹ 78.55 lakh, ₹ 576.41 lakh, ₹ 677.78 lakh and 4114.37 lakh comprising of 25.85%, 84.67%, 54.98% and 70.47% during Fiscal 2019, Fiscal 2020, Fiscal 2021 and ten-months period ended January 31, 2022 respectively. However, the composition of revenue generated from these clients might change as we continue to

add new customers in the normal course of business. Our revenues may be adversely affected if there is an adverse change in any of the supply chain strategies of our customers or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such clients.

Our business from our customers is dependent on our continuing relationship with such customers, the quality of our products, competitive pricing and our ability to timely deliver on their orders, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all. Further, we do not enter into long term purchase agreements with our customers. We have maintained good and long-term relationships with our customers, there can be no assurance that we will continue to have such long-term relationship with them. Significant dependence on a select and small group of clients may increase the potential volatility of our results of operations. Further any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. A loss of any of our significant customers, a decrease in the volume of products our customers demand from us may materially and adversely affect our business, operations, financial condition, results of operations and prospects.

14. *Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our stores may adversely affect our business, results of operations and financial condition.*

We strive to keep optimum inventory at our stores and our distribution centers such as EBO, SIS outlets, MBO, warehouse and for online sales, to control our costs and working capital requirements through our dynamic supply chain management. An optimal level of inventory is important to our business as it allows us to respond to consumer demand effectively and to maintain a range of merchandise at our stores. At the same time, we aim to minimize excessive inventories which would result in higher levels of discounting. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale in our stores and our distribution centers. In addition, if we underestimate customer demand for our products, we may lose our reputation and brand image.

We are dependent on our third-party manufacturers, and these manufacturers, may not be able to deliver products to meet our requirements, and this could result in delays in the shipment of products to our points of sale and may damage our reputation and customer relationships. There can be no assurance that we will be able to successfully manage our inventory at a level appropriate for future customer demand. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. Unavailability of products, which are in high demand, may depress sales volumes and adversely affect our customer relationships.

If we over-stock inventory, our required working capital will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual consumption by consumers can impact us adversely, leading to potential excess inventory and requiring us to resort to higher markdown and thus lower margins, in order to clear such inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

Inventory levels in excess of consumer demand may result in inventory write – offs and the sales of excess inventory at a discounted price, which would cause our gross margin to suffer. Any write – downs or write – offs and sale of excess inventory at discounted prices could also impair the strength and exclusivity of our brands. In addition, if we underestimate consumer demand for products distributed by us, we may not be able to service the demand for the products and this may damage our reputation and consumer relationships.

15. *Any disruptions in our distribution and logistics providers, including any disturbance in our transportation arrangements or increase in transportation costs, may adversely affect our operations, business and financial condition.*

Presently, we have one established warehousing facility, in Ahmedabad for the purpose of storing sourced textiles raw materials as well as finished goods. We utilize third party transportation services by roadways, airways, and railways for procurement and supply of materials and from/ to our suppliers and our warehouse and distribution channels. Transportation by road or air, as the case may be, involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability, and operating restrictions/ lockdown consequent to outbreak of infectious diseases, such as the COVID-19 pandemic. Any delay or disruption caused to the transportation of our products could adversely impact our ability to meet the delivery schedule of the customers in an economical manner. To ensure timely delivery of our

products, we may also be required to maintain relatively high level of inventory of materials and this may also resultantly increase our cost.

- 16. Certain sections of this Draft Red Herring Prospectus disclose information from the ITCOT Report which have been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the reports titled “Market Report on Textile and Apparel Industry”, dated June 10, 2022 and released by ITCOT Limited prepared exclusively for the Offer and commissioned and paid by our Company in connection with the Offer. ITCOT Limited have been appointed pursuant to engagement letters dated May 26, 2022. Further, ITCOT Report is prepared based on information as of specific dates and may no longer be current or reflect current trends. Certain information in this report is subject to limitations and are also based on estimates, projections, forecasts and assumptions. Investors should not place undue reliance on, or base their investment decision solely on this information. For the disclaimer regarding these reports, see “Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data - Disclaimer of ITCOT” on page 15.

You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Industry Report before making any investment decision regarding the Offer. For further details, see “Industry Overview” on page 86.

- 17. If any new products or brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.**

We distribute and sell our products under our own brands. We intend to continue to develop additional products and expand our product categories such as accessories, premium kids wear and men and women casual wear. We may launch additional brands in the future in order to effectively market such products. However, we cannot assure you that any new products or brands launched by us will be accepted by our customers or retail partners, or that we will be able to recover costs we incurred in developing such products and brands, or that our new products and brands will be successful. If the products and brands that we launch are not as successful as we anticipate, our image may be tarnished and our business, results of operations and financial condition may be adversely affected. Further, such expanded product offerings place a strain on our management, operational and financial resources, as well as our information systems.

- 18. If we are unable to anticipate and respond to changes in the industry trends, particularly in fashion, and changing customer preferences in a timely and effective manner, the demand of our products may decline, which may have an adverse effect on our business, results of operations, financial condition and prospects.**

We offer a wide variety of products under the brand names to our customers through 85 Stores as on May 31, 2022 across various states in India as follows:

Brand	Product Portfolio
Barcelona	Shirts, denims, T-shirts, Shorts, Boxers, Pyjamas, Cotton pants, trousers, Jackets, sweatshirts, hoodies, blazers, suits
Vaxlife*	Readymade Garments
Brand Club	Men’s wear, women’s wear [#] , kids wear [#]
Tridhya**	Leggings, Kurtis, tops, shirts, denims, pallazo, dresses and such other women’s wear

* yet to start business operations under this brand name

** has just started business operations

is in initial planning stage

People in different geographical locations of India have different shopping patterns and tastes. Our success depends upon our ability to forecast, anticipate and respond to the changing customer preferences and fashion trends in a timely manner which may include designing new products or modifying our existing products in line with such changing customer preferences and fashion trends. If we fail to identify and respond to such changing customer preferences or evolving fashion trends by suitably launching new products, evolving new designs and/or modifying our existing product line in a timely manner, we may lose or fail to attract our customers, be saddled with obsolete products, thereby increasing dead stock leading to a loss of our brand image amongst our customers, and may have to sell our inventory at a discount. This may have a material adverse effect on our business and results of operations.

In particular, the retail apparel business fluctuates according to changes in customer preferences dictated, in part, by fashion and season. To the extent, we misjudge the market for our products or unable to design new products or modify our existing products in line with changes in fashion trends, our sales may get adversely affected. New product development also involves designing, sampling and cost closure, which adds to these timelines. While we forecast trends and styles, our design to shelf leads times vary and thus there may be risk of the product going out of fashion by the time we hit the market for long lead time products. A decline in demand for our products, or a misjudgement on our part could, among other things, lead to lower sales, excess inventories and higher markdowns, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

If we are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose, or fail to attract customers, our inventory may become obsolete and we may be subject to pricing pressure to sell our inventory at a discount. Further, our process for designing our products is a key aspect of our operations for which we rely heavily on data analysis and the study of fashion trends to introduce new and original concepts.

Further, for us to remain competitive in respect of appealing designs, our designers have to keep themselves abreast with the latest global trends and fashion demands and more importantly understand the requirements of the customers. In order to design our products for the brand we distribute, we conduct data analytics and explore fashion trends to introduce new and original concepts in the market. While our design and development carry a structured approach, we cannot assure that the current portfolio of products or future portfolio of products created through future designs will be received well by our customers. This may result in a non-recovery of costs incurred on design and development, costs on distribution and lead to inventory that may not be sold or shall be sold slower than anticipated. This may have a material adverse effect on our business and results of operations.

19. *Any factors that affect customer footfalls in respect of our stores will adversely affect our business and results of operations.*

Currently, we operate through a mix of various delivery points, including our EBOs, MBOs, SiS Outlets etc.

Generally, higher customer footfalls in respect of our stores translates to higher sales and revenue. Ensuring that a higher number of consumers visit our stores is essential to ensure that we record better sales and profitability. Our ability to attract higher footfalls in respect of our stores may be affected by a number of other factors:

- Any slowdown or other factors affecting customer footfalls in the areas where our stores are located will in turn also affect our business;
- Rise in prices of commodities and general economic slowdown may result in reducing spending on apparel by consumers;
- Alternative channels of sale of apparel such as online retailing of apparel could significantly reduce footfalls in our retail stores;
- Discounts and pricing strategies by competitors could result in lower footfalls;
- Any negative feedback about our stores could adversely affect footfalls; and
- Other external factors such as political disturbances or law and order problems.

In the event of any drastic or significant reduction in customer footfalls at our stores due to any one or more of the above factors or due to any other reasons, our business and results of operations will be affected.

20. *Our Company, our Group Company, our Promoters and Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, result of operations and financial conditions.*

Our Company, our Group Company, our Promoters and Directors are parties to certain legal proceedings which are pending at different levels of adjudication before competent authority, appeals, tribunal and forums. We cannot assure you that these proceedings will be decided in favour of our Company, our Group Company, our Promoters or our Directors, as the case may be. Further, there is no assurance that similar proceedings will not be initiated against us, our Directors or Promoters in the future. Any adverse outcome in any of the below mentioned proceedings could have an adverse effect on our reputation and may affect our future business, prospects, financial condition and results of

operations. It further may divert the attention of our management and promoters and waste our corporate resources. For details of these proceedings, see “Outstanding Litigation and Material Developments” on beginning from page 256 of this Draft Red Hearing Prospectus. A classification of these legal and other proceedings is given below:

Sr No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable In INR
1.	Filed against the Company		
	Direct Tax	-	-
2.	Filed against our Directors		
	Civil/Criminal Cases	-	-
	Direct Tax	-	-
3.	Filed by our Directors	1	Not quantifiable
4.	Filed against our Promoter Group		
	Direct Tax	10	2,91,12,132
	Civil/ Criminal Cases	10	Not quantifiable
5.	Filed by our Promoters & Promoter Group	3	Not quantifiable
6.	Filed against our Group Entities		
	Civil Cases	1	Not quantifiable
	Direct Tax	1	3,75,96,836
	Total		6,67,08,968

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. In the absence of Order copy of the Income Tax Department, the nature, extents and status of the Cases cannot be ascertained.

Two Persons (Individuals) who by virtue of their relation with our Promoter comes under the purview of the definition of Promoter Group as per Regulation 2(1)PP(ii) of SEBI (ICDR) Regulations, are involved in certain litigations. However, they are not the Promoter, Director or KMP of the Company and is not involved in any of the day-to-day activities of our Company. Our Company does not foresee any negative effect on business affairs or financial condition of the company in case of any adverse outcome of the said litigations. However, for the sake of objectivity the said litigations have been considered to be mentioned in the Draft Red Hearing Prospectus. For details of these proceedings, see “Outstanding Litigation and Material Developments” on beginning from page 256 of this Draft Red Hearing Prospectus.

21. We have one warehouse currently located in Ahmedabad, Gujarat. Any disruption in the operation of our warehouses may have an adverse impact on our business and prospect.

Our warehouse is currently located at Ahmedabad (Gujarat) and any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect operations. Further, our warehouse may be subjected to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Our franchisees rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations of our warehouse could result in delayed delivery of our product, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines or if there is a lapse in coordination across stores located countrywide, our business, financial condition and prospects may be adversely affected.

22. Our growth strategy to expand into new geographic areas exposes us to certain risks and if we are unable to identify the right mix of distribution channels in respect of our targeted locations, our business prospects could be adversely affected.

Increasing our presence in new geographical areas across India is one of the principal elements of our growth strategy. We propose to continue with this strategy of entering new geographic areas. As on May 31, 2022, we are present through more than 85 EBOs in 13 States in India. Pursuant to our growth strategy and to further deepen our presence pan India, we intend to open new EBO, either company operated or franchise operated, besides expanding our other distribution

channels which shall not only increase our reach in various cities and towns but also help us add value to our business by opening such stores.

Fast developing smaller towns are currently under served and give a scope for our brands. The success of any Franchisee stores depends substantially on its location and our ability to provide a distinctive in-store experience. Sales at such Franchisee stores are derived, in part, from the volume of foot traffic in these locations. Outlet locations may become unsuitable due to, and our sales volume and customer traffic generally may be harmed by, among other things:

- Economic slowdown in a particular area or city/region; competition from nearby retailers selling similar apparels;
- Changing consumer demographics in a particular market; changing lifestyle choices of consumers in a particular market; and
- The closing or decline in popularity of other businesses location near our outlet.

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

Further, our growth strategy creates the risk of sales cannibalization, as the new points of sale could be in the vicinity of existing ones. There can be no assurance that such sales cannibalization will not inadvertently occur or become more significant in the future as we gradually increase our presence in newer markets over time to maximize our competitive position and financial performance in each market. The identification of the right combination of retail channels, is extremely critical in our business model. In the event that we are unable to identify the right channel of distribution, our business prospects could be adversely affected.

23. *Current trends of discounting and price competition could lead to consumers getting habituated to price driven purchases and reduce the attraction of brands in the minds of consumers, impacting our business operations and profitability.*

Online retailing has increased substantially in the past few years and current trends of discounting and price competition could lead to consumers getting habituated to price driven purchases. Various companies offer a wide variety of products, including the products that we retail through our stores, on the internet at different price points.

Online retailing has witnessed intense competition in India with deep discounts and regular promotions offered by several e-tailers. We may be unsuccessful in competing against present and future competitors, ranging from large and established companies to emerging start-ups, both Indian and large, multi-national, e-commerce companies operating in India. Our consumers may prefer purchasing such products from these online stores because of factors like heavy discounts and variety of products. This could adversely affect the sales at our retail stores and could have a material adverse effect on our business, financial condition and results of operations. In the event we are required to compete with e-tailers, specifically with respect to pricing, our margins from sale of our products may be adversely affected.

Increasing attractiveness of online channels for customers, driven by offers and discounts, could impact the operations of our channel partners who operate Franchise Stores and impact on their financial position. This can impact the ability of our retail channel partners to grow, as well as pay us on time. Resultantly, they could also demand higher margins to counter the effect of the online competition. In the event that we are competing with e-tailers, our business prospects could be adversely affected.

24. *The success of our business depends on our ability to attract and retain customers and maintain consistency in customer service.*

Our ability to offer products in line with customer preferences, demand and fashion trends to our customers and maintain our standards of customer service in our stores is critical to attract and retain customers. We undertake regular advertising and marketing activities to create visibility, stimulate demand and promote our stores, through various mediums of mass communication. Our ability to attract customers and provide high standards of customer service further depends on our ability to attract and hire the right personnel and also train the personnel in the implementation of our business processes. We cannot assure you that we will be able to recruit and retain the right personnel or our advertising and marketing campaign will be successful in meeting its objectives and provide returns commensurate to the investments made. Any failure to attract new customers or expand our customer base, may materially affect our growth and financial performance.

We incur significant expenses on a variety of different brand investments and marketing efforts designed to expand brand recognition. We also aim to increase the sale of our products through marketing channels such as print advertisement as well as digital advertising and social media outreach. Our brand investment and marketing activities may not result in the levels of sales that we anticipate. While brand investment is a key component of reinforcing the relevance of our brand, we view brand investment as a discretionary expenditure and may vary the level of brand investment from time to time.

25. *The COVID-19 pandemic and resulting deterioration of general economic conditions has impacted our business and results of operations in the past and the extent to which it will impact our future business and results of operations will depend on future developments, which are difficult to predict.*

Since first being reported in December 2019, the outbreak of COVID-19 has spread globally. The World Health Organization declared the novel coronavirus disease (“COVID-19”) outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including on the duration and severity of the pandemic, the nature and scope of government actions to contain it, and the potential impact on global and national economic conditions, including inflation, interest rates, availability of capital markets, consumer spending rates, energy availability and costs (including fuel surcharges), which are highly uncertain and cannot be predicted. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe.

In addition, while the Government of India in coordination with the state governments have started the bulk immunization process or vaccination drive since January 16, 2021, achieving a complete vaccination scale may take significant amount of time. There is also no assurance that the vaccines that are developed will be fully effective and/ or may not have side effects. On March 14, 2020, India declared COVID-19 as a ‘notified disaster’ and imposed a nationwide lockdown announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious reopening of businesses and offices. Thus, our business was under lock down during the nationwide lock down due to the spread of COVID 19 Pandemic from March 25, 2020 to May 02, 2020. It was also shut down during the month of June 2020 due to widespread COVID – 19 pandemic. Subsequently, our business was operating subject to certain social distancing and additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. While we have not been able to determine any material impact on our operations and results on account of COVID-19, in the previous Fiscal, our Company has witnessed a lower quantum of sales compared to similar periods in previous years. In addition, throughout March and April 2021, due to an increase 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. As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we may be subject to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business operations. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. During this pandemic, 1 store during FY 2019-20, 2 stores during FY 2020-21 and 15 stores during April 1, 2021 to January 31, 2022 were closed.

26. *We face competition from existing retailers, online retailers and potential entrants, both domestic and foreign, to the retail industry that may adversely affect our competitive position and our profitability.*

Loss of market share and increase in competition may adversely affect our profitability. We face competition from other retailers. Further, we face competition from online retailers who market similar products as us. With the opening of new malls, many new players are expected to enter organized retailing and competition could increase.

The entry strategy of the new entrants and growth strategy of existing competitors may not be focused on profitability in the short term. This could adversely affect the profitability dynamics of the retail business. Some of our competitors may be able to compete more effectively because of their access to significantly greater resources, which may lead to increased competition. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Such an increase in competition may cause us to increase our marketing expenditure, reduce prices of our products, thereby reducing margins. With increased competition, the demand for good store locations may increase, impacting our cost of operation.

Additionally, we may face competition from international players if foreign participation in the retail sector is further liberalized. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. Moreover, as the industry is highly fragmented, we also face competition from local stores who may, for a variety of reasons, such as easier access to, as well as established personal relationships with, the customers, be able to cater to local demands better than us. Our inability to compete successfully in our industry would materially affect our business prospects and financial condition.

27. *If we are unable to obtain the requisite approvals, licenses, registrations or permits to operate our business or are unable to renew them in a timely manner, our business or results of operations may be adversely affected.*

We are governed by various laws and regulations for carrying our business activities. Shops and establishment legislations are applicable in the states where we have our stores and distribution centers. This legislation regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of inter alia registration, opening and closure of hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Therefore, we and our distributor partners are required to obtain registration under the same. Further, we are also required to comply with the provisions of GST registration and other licenses for operating stores under the respective state legislatures in India. In addition, we may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for our operations, in the ordinary course of business. For further details, see “Government and other Approvals” beginning on page 266.

If we fail to obtain any applicable approvals, licenses, registrations or permits, including those mentioned above, in a timely manner, we may not be able to undertake certain operations of our business, or at all, which may affect our business or results of operations. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business or results of operations. We cannot assure that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations or permits that have been or may be issued to us, may materially and adversely affect our business or results of operations.

28. *Our business relies on the reliable performance of its information technology systems and any interruption or abnormality in the same may have an adverse impact on our business operations and profitability.*

We have implemented Prasyast Mpos which integrates and collates data of purchase, sales, reporting, accounting, stocks, etc. from all our stores and warehouse. Our Company utilises its information technology systems to monitor all aspects of its businesses and relies to a significant extent on such systems for the efficient operation of its business, including, the monitoring of inventory levels, the allocation of products to our stores and budget planning. Our information technology systems may not always operate without interruption and may encounter temporary shut downs or disturbances due to power loss, flood, fire, internet and telecommunication failures, break-ins, natural disasters, computer viruses, ransomware, cybercrime or similar events or may become obsolete, which may affect its ability to maintain connectivity with our stores and distribution centres. We cannot assure that we will be successful in developing,

installing, running and migrating to new software systems or systems as required for its overall operations. Even if we are successful in this regard, significant capital expenditures may be required, and it may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability. Also, we cannot guarantee that the level of security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties. Our failure to continue its operations without interruption due to any of these reasons may adversely affect our results of operations.

29. Our operations are subject to high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments, there may be an adverse effect on our results of operations.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors, inventories, security deposits, marketing and promotions, advance to suppliers, cash and cash equivalents. On an average, our debtors are realized in 3 - 3½ months and we require to maintain inventory of about 2½ - 3 months. We have not availed sanctioned financing facilities from any bank or financial institution. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, it may affect our business operations and financials.

30. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

Particulars	Ten months ended 31.01.2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
Net Cash from/(used in) Operating activities	(265.64)	13.92	124.81	80.26
Net Cash from/(used in) Investing Activities	(149.30)	(742.32)	(100.16)	(39.72)
Net cash from/(used in) Financing Activities	1,094.33	744.48	(1.37)	(57.70)
Net Increase/(Decrease) in cash & cash equivalents	679.39	16.08	23.29	(17.16)
Cash & cash equivalents at the end of the period/year	737.31	57.91	41.83	18.54

31. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Our Promoters average cost of acquisition of Equity Shares in our Company is ₹ 0.93 per share (after considering bonus and split) which is much lower as compared to the price offered to the public. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled “Capital Structure” beginning on page 58 of this Draft Red Herring Prospectus.

32. We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price.

We have issued equity shares in the last twelve months at a price which may be lower than the Issue Price. Details of such issuance are given in the table below:

Date of Allotment	Number of Equity Shares allotted	Face Value (₹)	Issue Price (In ₹)	Consideration	Reason for Allotment	Benefit accruing to the company
December 31, 2021	52,42,158	10/-	Nil	N. A.	Bonus Allotment	Capitalization of Reserves

Further, the face value of our equity shares has been sub divided from Face value of ₹ 10/- each to Face Value of ₹ 1/- each on February 17, 2022.

For further details of Equity Shares issued, please refer to chapter titled, ‘*Capital Structure*’ beginning on page 58 of this Draft Red Herring Prospectus.

33. *Our Company’s insurance coverage to protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work may not be sufficient.*

Our Company has insured itself against some business or operational risks. But we cannot assure you that these would be sufficient to protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work. Any excess loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

34. *Our actual results could differ from the estimates and projections used to prepare our financial statements.*

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

35. *If we are unable to raise additional capital, our business prospects could be adversely affected.*

We intend to fund our development plans through our cash on hand, cash flow from operations and from the Net Proceeds. We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

36. *Any delay or default in Franchisee payment could result in the reduction of our profits.*

Our operations involve extending credit for extended periods of time to our Franchisees and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Although, we accept advances in terms of deposit from the franchisees for the stock of materials supplied to them. However, in certain situation we may provide more stocks as compared to the deposits provided to us by the franchisees and in the event of any dispute/disagreement, the entire receivable might become bad debt. This may result in loss of revenue resulting adverse financial implication.

37. *The Promoters and Directors hold Equity Shares in our Company and are therefore interested in our Company’s performance in addition to their remuneration and reimbursement of expenses.*

Certain of our Directors (including our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see “Our Management – Interest of Directors” and “Our Promoters, Promoter Group and Group Companies – Interest in our Company” on pages 171 and 185, respectively.

38. *We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.*

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business and our results of operations. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

39. *Our Company has availed certain unsecured loans that are recallable by the lenders at any time.*

Our Company had availed certain unsecured loans and may continue to do so in future that are recallable on demand by the lenders. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. For further details, please refer chapter titled “Financial Indebtedness” beginning on page 228 of this draft red herring prospectus.

40. *Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates which have not been independently appraised.*

Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies, and the same have not been appraised by any independent entity. In the absence of such independent appraisal, we may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements by following the relevant regulations.

41. *Our Promoters and Promoter Group will continue to retain control over our Company after completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.*

Post completion of the Issue, our Promoters and Promoter Group will continue to hold approximately [●] % of our post-Issue Equity Share capital. As a result, they will have the ability to significantly influence matters requiring share-holders approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders’ meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

42. *Certain of our Group Companies and our Associates may have conflicts of interest as they are engaged in similar business and may compete with us.*

Certain of our Group Companies and our Associates are authorized to engage in businesses similar to our business operations. For further information of such Group Companies and our Associates, see “History and Certain Corporate Matters” and “Group Companies” on pages 166 and 188, respectively. As a result, there may be conflicts of interest in allocating business opportunities between us, such Group Companies and our Associates. We have not entered into any non-compete agreements with such Group Companies and our Associates. There can be no assurance that such Group Companies and our Associates will not compete with our existing business or any future business that we may undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business. Any such present and future conflicts could have a material adverse effect on our business and financial performance.

43. *Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.*

Our business and the industry we operate in are vulnerable to the problem of shoplifting by customers, pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our existing and retail stores or our retail channels may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses.

Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash from our retail stores to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover the full amount of any such loss in a timely manner, or at all.

44. *Managing employee benefit pressures in India may prevent us from sustaining our competitive advantage which could adversely affect our business prospects and future financial performance.*

Employee benefits represent a major expense for us and our ability to maintain or reduce such costs is critical for our business operations. We may be required to increase employee compensation levels to remain competitive and manage attrition, and consequently we may need to increase the prices of our products and services. An increase in wages/salaries paid to our employees may result in a material adverse effect on our profits in the event that we are unable to pass on such increased expenditure to our customers without losing their business to our competitors. Likewise, if we are unable to sustain or increase the number of employees as necessary to meet growing demand, our business, financial condition and results of operations could be adversely affected.

45. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*

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. 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. For details of our dividend history, see “Dividend Policy” on page 193.

ISSUE SPECIFIC RISKS

1) *The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. 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, or at all.*

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

- 2) ***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 our Equity Shares will be determined by the book-building method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 80 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. 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. Among the factors that could affect our share price include without limitation. The following:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

- 3) ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by our Company may dilute the shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute the shareholding, which may have adverse bearing on the trading price of the Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

- 4) ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

- 5) ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

- 6) ***QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders’ decision to invest in the Equity Shares, including material adverse changes

in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

EXTERNAL RISK FACTOR:

1. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

3. *Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.*

Our Company currently prepares its annual financial statements under Indian GAAP. The MCA, Government of India, has, through a notification dated February 16, 2015, set out the Indian Accounting Standards (Ind AS) and the timelines for their implementation. In accordance with such notification, our Company may required to prepare its financial statements in accordance with Ind AS in future. Ind AS is different in many aspects from Indian GAAP under which our financial statements are currently prepared. Accordingly, the degree to which the restated financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited.

4. *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 effect on our business, financial condition and results of operations.*

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

- custom duties on imports of raw materials and components;
- Goods and Service

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

5. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates,

changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

6. *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, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

7. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force 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 Rupee proceeds from a 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 authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

8. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

9. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

10. *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, tsunamis, 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.

11. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

SECTION III: INTRODUCTION

THE ISSUE

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

Particulars	Details of Equity Shares
Issue of Equity Shares	Up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a securities premium of ₹ [●] per Equity Share) aggregating upto ₹ 20,000 lakh.
<i>of which:</i>	
(a) QIB Portion	Not more than [●] Equity Shares
<i>of which</i>	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
<i>of which</i>	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion (excluding the Anchor Investor Portion))	Up to [●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares
(b) Non-Institutional Portion	Not less than [●] Equity Shares
(c) Retail Portion	Not less than [●] Equity Shares
Pre- and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	6,04,86,440 Equity Shares
Equity Shares outstanding after the Issue*	[●] Equity Shares
Utilization of Net Proceeds	For details, see the Section titled “Objects of the Issue” on page 68.

* Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionally to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see “Issue Procedure” on page 290.

The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on April 23, 2022 and by our Shareholders pursuant to a resolution passed at the EGM held on May 12, 2022.

Allocation to Bidders in all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis. For further details, see the Section titled “Issue Procedure” on page 290.

SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Consolidated Financial Statements. The summary financial information presented below should be read in conjunction with “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 194 and 230, respectively.

CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

		Rs. In Lakhs			
Particulars	Note No.	As At 31.01.2022 Rs. In Lakhs	As At 31.03.2021 Rs. In Lakhs	As At 31.03.2020 Rs. In Lakhs	As At 31.03.2019 Rs. In Lakhs
I ASSETS					
1 Non-current Assets					
a) Property, Plant & Equipment	I.1	91.44	8.90	5.40	6.38
b) Capital Work-in-Progress		-	-	-	-
c) Deferred tax assets (net)	I.2	-	0.52	0.48	0.37
d) Financial Assets:					
(i) Investments	I.3	-	-	0.50	-
(ii) Trade Receivable		-	-	-	-
(iii) Loans	I.4	10.34	4.28	1.23	2.60
e) Other non-current assets		-	-	-	-
Total Non-Current Assets		101.79	13.69	7.62	9.35
2 Current Assets					
a) Inventories	I.5	1,080.87	379.38	210.50	91.59
b) Financial Assets:					
(i) Trade Receivables	I.6	2,691.41	400.50	153.15	83.57
(ii) Cash and cash equivalents	I.7	737.31	57.91	41.83	18.54
(iii) Loans	I.8	995.79	932.08	184.16	83.97
c) Current Tax Assets (Net)		-	-	-	-
d) Other Current Assets	I.9	429.38	241.52	-	-
Total Current Assets		5,934.76	2,011.40	589.64	277.68
Total Assets		6,036.55	2,025.09	597.26	287.03
II EQUITY & LIABILITIES					
A Equity					
a) Equity Share Capital	I.10	604.86	46.12	1.00	1.00
b) Other Equity	I.11	182.46	167.34	1.61	1.08
Total Equity		787.33	213.47	2.61	2.08
B Liabilities					
1 Non -current Liabilities					
a) Financial Liabilities:					
(i) Borrowings		-	-	-	-
(ii) Trade Payable	I.12	-	-	-	13.21
b) Provisions		-	-	-	-
c) Deferred Tax Liabilities (net)	I.13	0.88	-	-	-
d) Other Non Current Liabilities	I.14	841.91	303.95	-	-
Total Non-Current Liabilities		842.78	303.95	-	13.21
2 Current Liabilities					
a) Financial Liabilities:					
(i) Borrowings	I.15	377.19	267.49	4.20	4.20
(ii) Trade Payable	I.16				
(a) Total Outstanding dues of MSME		445.84	-	87.15	-
(b) Total Outstanding dues of other than MSME		3,318.60	846.35	358.23	203.10
(iii) Other Financial Liabilities		-	-	-	-
b) Other Current Liabilities	I.17	202.57	381.75	140.24	59.55
c) Provisions	I.18	62.24	12.08	4.83	4.89
c) Current Tax Liabilities (Net)		-	-	-	-
Total Current Liabilities		4,406.44	1,507.68	594.65	271.75
Total Liabilities		5,249.22	1,811.62	594.65	284.96
Total Equity & Liabilities		6,036.55	2,025.09	597.26	287.03

Significant Accounting Policies

Notes forming part of the Financial Statements

CONSOLIDATED STATEMENT OF PROFIT & LOSS, AS RESTATED

Rs. In Lakhs

Particulars		Note No.	31.01.2022	2020-21	2019-20	2018-19
INCOME						
(I)	Revenue from Operations	II.1	5,838.08	1,232.89	680.76	303.92
(II)	Other Income	II.2	11.56	36.92	0.40	0.04
(III)	Total Income (I) + (II)		5,849.64	1,269.81	681.16	303.96
EXPENSES						
(IV)	Purchase of traded goods		5,676.80	1,265.52	718.94	294.06
	Changes in inventories of finished goods, work in progress & Stock in Trade	II.3	(701.50)	(168.88)	(118.91)	(67.78)
	Employee benefits expenses	II.4	145.25	36.80	37.03	38.26
	Finance Costs	II.5	33.20	3.26	1.37	0.61
	Depreciation and amortization expenses	I.1	3.05	1.50	1.81	1.14
	Other expenses	II.6	565.87	89.86	40.19	37.00
	Total Expenses (IV)		5,722.67	1,228.07	680.44	303.30
(V)	Profit before Exceptional Items and Share of Net Profit and Taxes		126.97	41.74	0.72	0.67
	Share of Net Profit/(Loss) of associates		0.15	(0.50)	-	-
	Profit before Exceptional Items and Taxes		127.12	41.24	0.72	0.67
(VI)	Exceptional Items - (Net)		-	-	-	-
(VII)	Profit before tax		127.12	41.24	0.72	0.67
(VIII)	Tax Expenses :					
	(1) Current tax		31.74	10.89	0.36	0.25
	(2) Deferred tax		1.40	(0.04)	(0.11)	-0.05
	(3) Previous year Tax		-	0.03	-	-
			33.14	10.88	0.25	0.20
(IX)	Profit for the Period (VII)-(VIII)		93.98	30.36	0.47	0.46
(X)	Other Comprehensive Income					
A(i)	items that will not be reclassified to profit or loss		-	-	-	-
(ii)	income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
B(i)	items that will be reclassified to profit or loss		-	-	-	-
(ii)	income tax relating to items that will be reclassified to profit or loss		-	-	-	-
(XI)	Total Comprehensive Income for the Period [(IX)+(X)] (Comprising Profit and Other Comprehensive Income for the period)		93.98	30.36	0.47	0.46
(XII)	Earning Per Equity Share (Nominal Value per Share:(Rs. 10))	II.7				
	1. Basic		2.39	25.04	4.67	4.63
	2. Diluted		2.39	25.04	4.67	4.63

Significant Accounting Policies

Notes forming part of the Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOW, As Restated
Rs. In Lakhs

	31.01.2022	31.03.2021	31.03.2020	31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax as per Statement of Profit and Loss	127.12	41.24	0.72	0.67
Adjusted for:				
Finance Cost	33.20	3.26	1.37	0.61
Interest Income earned	(6.07)	(13.64)	-	-
Depreciation	3.05	1.50	1.81	1.14
Loss from Associate Company	-	0.50	-	-
Other Adjustment made in other equity	-	-	0.06	-
Operating Profit before working capital changes	157.30	32.87	3.96	2.41
Adjusted for:				
(Increase)/ Decrease in Trade Receivables	(2,290.92)	(247.36)	(69.58)	27.47
(Increase)/ Decrease in Inventories	(701.49)	(168.88)	(118.91)	(67.78)
Increase/ (Decrease) in Trade Payable	2,918.10	400.96	229.08	62.62
Increase/ (Decrease) in Other Current Assets	(187.86)	(241.52)	-	-
Increase/ (Decrease) in Other Current Liabilities	(179.18)	241.51	80.69	54.09
Increase/ (Decrease) in Provisions	50.16	7.26	(0.07)	1.70
Cash Generated from Operations	(233.90)	24.83	125.17	80.51
Adjusted for:				
Direct Tax Refund/(Paid) (Net of Payment)	(31.74)	(10.92)	(0.36)	(0.25)
Net Cash from Operating activities	(265.64)	13.92	124.81	80.26
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(85.60)	(5.00)	(0.84)	(3.40)
Interest Income earned	6.07	13.64	-	-
Increase in Investment	-	-	(0.50)	-
Sales of Fixed Assets	-	-	-	-
(Increase)/ Decrease in Loans	(69.77)	(750.96)	(98.82)	(36.32)
Net Cash Flow from Investing Activities	(149.30)	(742.32)	(100.16)	(39.72)
C. Net Cash Flow from Investing Activities				
Cash Flow from Financing activities:				
Borrowings (Net)	109.69	263.29	-	(57.09)
Finance Cost	(33.20)	(3.26)	(1.37)	(0.61)
Interest earned	-	-	-	-
Issue of Shares / Bonus shares	34.52	45.12	-	-
Increase/ (Decrease) in Share Premium A/c	445.36	135.37	-	-
(Repayments) / Other Long term liabilities	537.96	303.95	-	-
Earlier year adjustment from Reserve & Surplus	-	-	-	-
Net cash from Financing Activities	1,094.33	744.48	(1.37)	(57.70)
Net Increase/(Decrease) in cash	679.39	16.08	23.29	(17.16)
Opening Balance of Cash & Cash equivalents	57.91	41.83	18.54	35.70
Closing Balance of Cash & Cash equivalents	737.31	57.91	41.83	18.54

The accompanying notes are an integral part of the financial statements

GENERAL INFORMATION

Our Company was originally incorporated as **“Stitched Textiles (OPC) Private Limited”**, a One Person Company on November 02, 2015 vide a fresh Certificate of Incorporation bearing Corporate Identity No. U17120GJ2015OPC084962 under the provisions of Companies Act, 2013 issued by Registrar of Companies, Ahmedabad. Subsequently, the One Person Company converted to Private Limited Company as **“Stitched Textiles Private Limited”** on November 11, 2019 vide certificate of incorporation bearing Corporate Identity No. U17120GJ2015PTC084962 under the provisions of Companies Act, 2013 issued by the RoC-Ahmedabad. Subsequently, the company was converted into Public Limited Company vide a fresh certificate of incorporation issued by ROC-Ahmedabad, consequent upon conversion from Private Limited to Public Company dated February 11, 2022 in the name of **“Stitched Textiles Limited”** vide Corporate Identification Number U17120GJ2015PLC084962.

Registered Office of our Company

1st Floor, Barcelona House,
B/S. Star House. Opp-Shell Pump Road,
Prahladnagar, Satellite,
Ahmedabad – 380015, Gujarat, India
CIN: U17120GJ2015PLC084962
Telephone: +91 97271 23838
E-mail: cs@barcelonaclub.in
Investor Grievance ID: investor@barcelonaclub.in
Website: www.barcelonaclub.in

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate office.

Registrar of Companies

Our Company is registered with the Registrar of Companies - Ahmedabad, Gujarat situated at the following address:

Office of the Registrar of Companies - Ahmedabad

RoC Bhavan,
Opp Rupal Park Society,
Behind Ankur Bus Stop,
Ahmedabad, Gujarat – 380013, India

Board of Directors of our Company

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

Name	Designation	DIN	Address
Jaimin Kailash Gupta	Managing Director	06833388	28, Sahjanand Palace, Taltej, Behind Sindhubhavan, Ahmedabad – 380054, Gujarat
Kresha Kailash Gupta	Non-Executive Director	09639553	28, Sahjanand Palace, Taltej, Behind Sindhubhavan, Ahmedabad – 380054, Gujarat
Yesha Aagam Shah	Independent Director	08802522	8, Ganesh Apartment, Opp. Harekrishna Society Vasna, Barrage Road, Ahmedabad – 380007, Gujarat
Rushabh Anilkumar Shah	Independent Director	09012222	2768, Jivan Kamalshini Pole, Near Kuvavali Pole, Shahpur, Ahmedabad – 380001, Gujarat
Premaram Jaitaram Patel	Independent Director	09324872	1, Dharmasadan Park, Behind Nigam Society, Ghodasar, Ahmedabad – 380050, Gujarat

For further information on our Directors, see **“Our Management”** beginning on page 171.

Company Secretary and Compliance Officer

Ms. Shivani Pathak is our Company Secretary and Compliance Officer. Her contact details are as follows:

1st Floor, Barcelona House,
B/S. Star House.
Opp-Shell Pump Road,
Prahladnagar, Satellite,
Ahmedabad – 380015, Gujarat, India
Tel No: +91 97271 23838,
E-Mail ID: cs@barcelonaclub.in

Investor grievances

Bidders are advised to contact the Company Secretary and Compliance Officer, the BRLM and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of funds by electronic mode etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, the Bid amount paid on submission of the Bid cum Application Form 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 if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

All grievances relating to the UPI mechanism may be addressed to the Registrar to the Issue with a copy to the relevant Sponsor Bank or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the amount equivalent to the Bid Amount was blocked. All grievances relating to Bids submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

Details of Key Intermediaries pertaining to this Issue of our Company:**Book Running Lead Manager****Finshore Management Services Limited**

‘Anandlok’, Block-A, 2nd Floor, Room No. 207,
227 A.J.C Bose Road, Kolkata-700020, West Bengal

Telephone: 033 – 22895101

Email: ramakrishna@finshoregroup.com

Contact Person: Mr. S. Ramakrishna Iyengar

Website: www.finshoregroup.com

Investor Grievance Email: info@finshoregroup.com

SEBI Registration No: INM000012185

CIN No: U74900WB2011PLC169377

Registrar to the Issue**Bigshare Services Private Limited**

Office No S6-2, 6th Floor,
Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road
Andheri (East) Mumbai – 400093

Contact Person: Mr. Swapnil kate

Tel. No: 022-62638200;

Fax No: 022-62638280;

E-mail: ipo@bigshareonline.com;

Website: www.bigshareonline.com;

Investor Grievance Email: investor@bigshareonline.com;

SEBI Registration No: INR000001385

CIN No: U99999MH1994PTC076534

Legal Advisor to the Issue**J. Mukherjee & Associates**

D-1, MMS Chambers, 1st Floor,
4A Council House Street,
Kolkata-700001,
West Bengal, India

Telephone: +91 98306 40366

Email: jmukherjeeandassociates@gmail.com

Contact Person: Mr. Jayabrata Mukherjee

Statutory and Peer Review Auditor of our Company**J. S. Maheshwari & Co., Chartered Accountant**

205, Solitiare, Opp. Bombay Garage,
Under Bridge, Shahibaug,
Ahmedabad – 380004, Gujarat

Telephone: +91 93775 11790

Email: jsmcaahdi@gmail.com

Contact Person: Mr. Dilip Maliwal

Membership No.: 148387

Firm Registration No.: 001318C

Peer Review Certificate No.: 012874 dated March 10, 2021

Banker to our Company**[•] Bank Limited**

Address:

[•]

Contact person: [•]**Telephone:** [•]**E-mail:** [•]**Website:** [•]**SEBI Registration No:** [•]**Banker to the Issue/ Escrow Collection Bank / Refund Bank / Sponsor Bank/ Public Issue Bank****[•] Bank Limited**

Address:

[•]

Contact person: [•]**Telephone:** [•]**E-mail:** [•]**Website:** [•]**SEBI Registration No:** [•]**Syndicate Member**

[•]

Address:

[•]

Contact person: [•]**Telephone:** [•]**E-mail:** [•]**Website:** [•]**Designated Intermediaries***Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

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

SCSBs enabled for UPI Mechanism

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

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>).

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of BSE and NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx and on the website of NSE at www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively as updated from time to time.

Registrar and Share Transfer Agent

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

IPO Grading

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

Credit Rating

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

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Brokers to the Issue

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

Debenture Trustees

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

Monitoring Agency

Our Company will appoint [●] as monitoring agency (Credit rating agency registered with the SEBI) in accordance with Regulation 41 of the SEBI ICDR Regulations, if the issue size exceeds ₹10,000.00 lakh, before filing of the Red Herring Prospectus.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by an appraising entity.

Expert Opinion

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

Our Company has received written consent dated May 17, 2022 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated May 17, 2022 on our restated consolidated financial information; and (ii) its report dated May 17, 2022 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Inter-se Allocation of Responsibilities

Finshore Management Services Limited, being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

Filing

A copy of this Draft Red Herring Prospectus dated June 17, 2022 shall be submitted to SEBI by way of an e-mail at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI through its circular dated March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD” and will be filed with SEBI electronically on the SEBI intermediary portal at <https://siportal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 with the RoC at its office and through the electronic portal.

Changes in Auditors during the last three years

Except as disclosed below, there has been no change in the statutory auditors of the Company in the last three years preceding the date of this Draft Red Herring Prospectus.

Particulars	Date of Change	Reason for Change
Niranjan Jain & Co. Chartered Accountants 307, 308, Shital Varsha Arcade, Opp. Girish Cold Drinks, C. G. Road, Ahmedabad – 380009, Gujarat E-mail: niranjanjainco156@yahoo.com Firm Registration No. 113913W Peer Review Certificate No.: Nil	July 31, 2021	Due to pre-occupation in other work

Particulars	Date of Change	Reason for Change
J. S. Maheswari & Co. Chartered Accountants 205, Solitiare, Opp. Bombay Garage, Under Bridge, Shahibaug, Ahmedabad – 380004, Gujarat Firm Registration No. 001318C E-mail: jsmcaahdi@gmail.com Firm Registration No.: 001318C Peer Review Certificate No.: 012874 dated March 10, 2021	September 01, 2021	Appointed in case of Casual Vacancy

Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLM and advertised in all editions of English national newspaper [●], all editions of Hindi national newspaper [●], and all editions of Gujarati newspaper [●] (Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid / Issue Opening Date in accordance with SEBI ICDR Regulations and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Issue Price shall be determined by our Company in consultation with the BRLM after the Bid / Issue Closing Date.

All Bidders, except Anchor Investors, shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Issue through UPI in the ASBA process. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company has appointed the BRLM to manage this Issue and procure Bids for this Issue. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Issue. Bidders should note that this Issue is also subject to (i) filing of the Prospectus with the RoC; and (ii) obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, see “*Issue Structure*” and “*Issue Procedure*” beginning on pages 287 and 290, respectively.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “*Issue Procedure*” on page 290.

Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein:

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

Name, address, telephone number, Facsimile and e-mail addresses of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
[●]	[●]	[●]	[●]

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

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

The Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

CAPITAL STRUCTURE

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

₹ in lakh

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A. Authorized Share Capital			
	12,00,00,000 Equity Shares of ₹1/- each	1,200.00	--
B. Issued, Subscribed & Paid-up Share Capital prior to the Offer			
	6,04,86,440 Equity Shares of ₹1/- each	604.86	--
C. Present issue in terms of the Draft Red Herring Prospectus			
	Fresh Public Issue up to [●] Equity Shares of face value of ₹1/- each at a Price of ₹ [●] per Equity Share aggregating upto ₹ 20,000 lakh ⁽¹⁾	[●]	[●]
	Of which		
	QIB Portion of not more than [●] Equity Shares	[●]	[●]
	Non-Institutional Portion of not less than [●] Equity Share	[●]	[●]
	Retail Portion of not less than [●] Equity Share	[●]	[●]
D. Issued, Subscribed and Paid-Up Share Capital after the Issue			
	[●] Equity Shares of face value of ₹1/- each	Up to [●]	[●]
E. Securities Premium Account			
	Before the Issue	56.52	
	After the Issue	[●]	

⁽¹⁾ The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on April 23, 2022, and by the shareholders of our Company vide a special resolution passed pursuant to Section 23 of the Companies Act, 2013 at the EGM held on May 12, 2022.

Classes of Shares

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹ 1/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

Details of changes in Authorized Share Capital of our Company since incorporation

The initial authorised capital of our Company was ₹ 10,00,000 consisting of 1,00,000 Equity Shares of ₹ 10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Amendment / Shareholders' Resolution	Nature of Amendment	AGM/EGM
November 30, 2020	The Authorized Share Capital of the company was increased from ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10/- each to ₹ 1,25,00,000 divided into 12,50,000 equity shares of ₹ 10/- each.	EGM
September 01, 2021	The Authorized Share Capital of the company was increased from ₹ 1,25,00,000 divided into 12,50,000 equity shares of ₹ 10/- each to ₹ 1,50,00,000 divided into 15,00,000 equity shares of ₹ 10/- each.	EGM
November 20, 2021	The Authorized Share Capital of the company was increased from ₹ 1,50,00,000 divided into 15,00,000 equity shares of ₹ 10/- each to ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10/- each.	AGM
February 17, 2022	The Face Value of the Company has been sub-divided from ₹ 10/- each fully paid-up to ₹ 1/- each fully paid-up.	EGM

Date of Amendment / Shareholders' Resolution	Nature of Amendment	AGM/EGM
	Consequently, the equity shares of the Company increased from 1,00,00,000 equity shares of ₹ 10/- each to 10,00,00,000 equity shares of ₹ 1/- each	
May 12, 2022	The Authorized Share Capital of the company was increased from ₹ 10,00,00,000 divided into 10,00,00,000 equity shares of ₹ 1/- each to ₹ 12,00,00,000 divided into 12,00,00,000 equity shares of ₹ 1/- each.	EGM

Notes to Capital Structure

1. Share Capital History

a) History of Equity Share capital of our Company

The following table sets forth the history of the equity share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value per Equity Share (In ₹)	Issue Price per Equity Share (In ₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (in ₹)
On Incorporation*	10,000	10/-	10/-	Cash	Subscription to Memorandum of Association ⁽¹⁾	10,000	1,00,000
December 31, 2020	4,51,249	10/-	40/-	Cash	Right Issue ⁽²⁾	4,61,249	46,12,490
August 24, 2021	14,250	10/-	80/-	Cash	Right Issue ⁽³⁾	4,75,499	47,54,990
October 26, 2021	40,000	10/-	80/-	Cash	Right Issue ⁽⁴⁾	5,15,499	51,54,990
December 14, 2021	18,85,87	10/-	150/-	Cash	Right Issue ⁽⁵⁾	7,04,086	70,40,860
December 23, 2021	1,02,400	10/-	150/-	Cash	Right Issue ⁽⁶⁾	8,06,486	80,64,860
December 31, 2021	52,42,158	10/-	-	N.A.	Bonus Issue ⁽⁷⁾	60,48,644	6,04,86,440
Pursuant to a resolution passed by our Shareholders at the EGM dated February 17, 2022, the Equity Shares of face value of ₹ 10/- each were sub-divided into Equity Shares of face value of ₹ 1/- each. Therefore, the cumulative number of issued, subscribed and paid-up Equity Shares, pursuant to sub-division was increased from 60,48,644 equity shares of ₹ 10/- each to 6,04,86,440 Equity Shares of ₹ 1/- each ⁽⁸⁾							

* Date of Incorporation of our Company is November 02, 2015

⁽¹⁾ Subscription to the Memorandum of Association dated November 02, 2015

Sl. No.	Name of the Allottee	Face Value (₹)	Issue Price (₹)	Nature Of Allotment	Number Of Equity Shares Allotted
1.	Jamin Kailash Gupta	10/-	10/-	Subscription to MoA	10,000
Total					10,000

⁽²⁾ Allotment of shares dated December 31, 2020

Sl. No.	Name of the Allottee	Face Value (₹)	Issue Price (₹)	Nature Of Allotment	Number Of Equity Shares Allotted
1.	Qmin Pharma Private Limited	10/-	40/-	Right Issue	1,14,999
2.	Tarachand Gangasahay Agrawal	10/-	40/-	Right Issue	62,500
3.	Jaimin Kailash Gupta	10/-	40/-	Right Issue	2,73,750
Total					4,51,249

⁽³⁾ Allotment of shares dated August 24, 2021

Sl. No.	Name of the Allottee	Face Value (₹)	Issue Price (₹)	Nature Of Allotment	Number Of Equity Shares Allotted
1.	Gulshan Lal Kapoor	10/-	80/-	Right Issue	14,250
Total					14,250

⁽⁴⁾ Allotment of shares dated October 26, 2021

Sl. No.	Name of the Allottee	Face Value (₹)	Issue Price (₹)	Nature Of Allotment	Number Of Equity Shares Allotted
1.	Ramesh Marand	10/-	80/-	Right Issue	40,000
Total					40,000

⁽⁵⁾ Allotment of shares dated December 14, 2021

Sl. No.	Name of the Allottee	Face Value (₹)	Issue Price (₹)	Nature Of Allotment	Number Of Equity Shares Allotted
1.	Tridhya Tech Private Limited	10/-	150/-	Right Issue	93,987
2.	Jaimin Kailash Gupta	10/-	150/-	Right Issue	94,600
Total					1,88,587

⁽⁶⁾ Allotment of shares dated December 23, 2021

Sl. No.	Name of the Allottee	Face Value (₹)	Issue Price (₹)	Nature Of Allotment	Number Of Equity Shares Allotted
1.	Jaimin Kailash Gupta	10/-	150/-	Right Issue	1,02,400
Total					1,02,400

⁽⁷⁾ Bonus Issue of shares in the ratio of 13:2 i.e., 13 (thirteen) New Equity shares for every 2 (two) shares held by the shareholder dated December 31, 2021

Sl. No.	Name of the Allottee	Face Value (₹)	Issue Price (₹)	Nature Of Allotment	Number Of Equity Shares Allotted
1.	Jaimin Kailash Gupta	10/-	-	Bonus Issue	42,63,018
2.	Gulshan Lal Kapoor	10/-	-	Bonus Issue	92,625
3.	Tridhya Tech Private Limited	10/-	-	Bonus Issue	6,10,915
4.	Chetan Ojha	10/-	-	Bonus Issue	3,250
5.	Ambika	10/-	-	Bonus Issue	3,250
6.	Ramesh Marand	10/-	-	Bonus Issue	2,60,000
7.	Aakash Thakor	10/-	-	Bonus Issue	3,250
8.	Dheeraj Gangwal	10/-	-	Bonus Issue	1,950
9.	Dharmesh Tripathi	10/-	-	Bonus Issue	1,950
10.	Satish Pardesi	10/-	-	Bonus Issue	1,950
Total					52,42,158

⁽⁸⁾ Sub-division of shares dated February 17, 2022

Sl. No.	Name of the Allottee	Face Value (₹)	Issue Price (₹)	Nature Of Allotment	Number Of Equity Shares Allotted
1.	Jaimin Kailash Gupta	1/-	-	Sub-division	4,91,88,670
2.	Ramesh Marand	1/-	-	Sub-division	30,00,000
3.	Gulshan Lal Kapoor	1/-	-	Sub-division	10,68,750
4.	Tridhya Tech Private Limited	1/-	-	Sub-division	70,49,020
5.	Chetan Ojha	1/-	-	Sub-division	37,500
6.	Ambika Vaswani	1/-	-	Sub-division	37,500
7.	Aakash Thakor	1/-	-	Sub-division	37,500
8.	Dheeraj Gangwal	1/-	-	Sub-division	22,500
9.	Dharmesh Tripathi	1/-	-	Sub-division	22,500
10.	Satish Pardesi	1/-	-	Sub-division	22,500
Total					6,04,86,440

b) Preference Share capital history of our Company

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

2. Issue of equity shares for consideration other than cash or out of revaluation reserve and through Bonus Issue:

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

Date of Allotment	Number of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Consideration	Reason for Allotment	Benefit accruing to the company
December 31, 2021	52,42,158	10/-	Nil	N. A.	Bonus Allotment ⁽¹⁾	Capitalization of Reserves

⁽¹⁾ For list of allottees see note 7 of paragraph titled “History of Share capital of our Company” mentioned above.

3. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
4. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
5. Our Company has not issued any Equity Shares in terms of any scheme approved under Section 230-234 of the Companies Act, 2013.
6. Except for the Bonus Issue of 52,42,158 Equity Shares of our Company on December 31, 2021, our Company has not issued any Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

7. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (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)				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 (XIV)#
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (Sb)	
								Class: X	Class: Y	Total								
A1	Promoter	1	4,91,88,670	-	-	4,91,88,670	81.32%	4,91,88,670	-	4,91,88,670	81.32%	-	81.32%	-	-	-	-	4,91,88,670
A2	Promoter Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	Public	9	1,12,97,770	-	-	1,12,97,770	18.68%	1,12,97,770	-	1,12,97,770	18.68%	-	18.68%	-	-	-	-	1,12,97,770
C	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		10	6,04,86,440	-	-	6,04,86,440	100.00%	6,04,86,440	-	6,04,86,440	100.00%	-	100.00%	-	-	-	-	6,04,86,440

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

8. **Details of Shareholding of the major shareholders of our Company**

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

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue share capital
1	Jaimin Kailash Gupta	4,91,88,670	81.32
2	Tridhya Tech Private Limited	70,49,020	11.65
3	Ramesh Marand	30,00,000	4.96
4	Gulshan Lal Kapoor	10,68,750	1.77
Total		6,03,06,440	99.70

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

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

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue share capital
1	Jaimin Kailash Gupta	4,91,88,670	81.32
2	Tridhya Tech Private Limited	70,49,020	11.65
3	Ramesh Marand	30,00,000	4.96
4	Gulshan Lal Kapoor	10,68,750	1.77
Total		6,03,06,440	99.70

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year prior to filing of this Draft Red Herring Prospectus:

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue share capital
1	Jaimin Kailash Gupta	2,74,750	59.57
2	Qmin Pharma Private Limited	1,14,999	24.93
3	Tarachand Gangasahay Agrawal	71,500	15.50
Total		4,61,249	100.00

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

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue share capital
1	Jaimin Kailash Gupta	1,000	10.00
2	Tarachand Gangasahay Agrawal	9,000	90.00
Total		10,000	100.00

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

Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

9. **Details of Build-up of our Promoter's shareholding:**

As on the date of this Draft Red Herring Prospectus, the Promoter of our Company, hold 4,91,88,670 Equity Shares, equivalent to 81.32% of the pre-IPO issued, subscribed and paid-up Equity Share capital of our Company and none of the Equity Shares held by the Promoters are subject to any pledge.

Set forth below are the details of the build – up of our Promoters' shareholding in our Company since incorporation:

a) **Jaimin Kailash Gupta**

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consider ation	Nature of transaction	Pre-issue Share Holding %	Post- issue Share Holding %	Cumulative No. of Shares
November 02, 2015	10,000	10/-	10/-	Cash	Subscription to MoA	0.02%	●	10,000
August 10, 2019	-9,000	10/-	10/-	Cash	Transferred to Tarachand Gangasahay Agrawal	-0.01%	●	1,000
December 31, 2020	2,73,750	10/-	40/-	Cash	Right Issue	0.45%	●	2,74,750
July 20, 2021	9,000	10/-	10/-	Cash	Transferred from Kailash Gupta	0.01%	●	2,83,750
July 20, 2021	62,500	10/-	10/-	Cash	Transferred from Kailash Gupta	0.10%	●	3,46,250
October 25, 2021	1,12,599	10/-	40/-	Cash	Transferred from Qmin Pharma Private Limited	0.19%	●	4,58,849
December 14, 2021	94,600	10/-	150/-	Cash	Right Issue	0.16%	●	5,53,449
December 23, 2021	1,02,400	10/-	150/-	Cash	Right Issue	0.17%	●	6,55,849
December 31, 2021	42,63,018	10/-	10/-	Other than Cash	Bonus Issue	7.05%	●	49,18,867
February 17, 2022	-49,18,867	10/-	-	NA	Sub Division	-8.13%	●	-
February 17, 2022	4,91,88,670	1/-	1/-	NA	Sub Division	81.32%	●	4,91,88,670
TOTAL	4,91,88,670					81.32%	●	

10. As on the date of this Draft Red Herring Prospectus, our Company has 10 (Ten) members/shareholders.

11. The details of the Shareholding of the members of the Promoter Group as on date of this Draft Red Herring Prospectus are set forth in the table below:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Promoters				
Jaimin Kailash Gupta	4,91,88,670	81.32%	4,91,88,670	●
Total Promoters Shareholding (A)	4,91,88,670	81.32%	4,91,88,670	●
Promoter Group				
Nil	-	-	-	-
Total Promoters Group Shareholding (B)	-	-	-	-
Total Promoters & Promoters Group (A+B)	4,91,88,670	81.32%	4,91,88,670	●

12. Except as disclosed above in Section ‘Details of Build-up of our Promoter’s shareholding’, the Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken any other purchase or sale transactions in the Equity Shares of our Company, during a period of six (6) months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.
13. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

14. **Details of Promoters’ contribution locked in for Eighteen months.**

Pursuant to Regulation 14 and 16 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the post-Issue capital of our Company held by the Promoters shall be locked in for a period of 18 (Eighteen) months from the date of Allotment (“**Minimum Promoter’ Contribution**”), and the Promoters’ shareholding in excess of 20% of the post-Issue Equity Share capital shall be locked in for a period of 6 (Six) months from the date of Allotment.

Our Promoters as mentioned below, given consent to include such number of Equity Shares held by him as may constitute 20% of the post-Issue equity share capital of our Company as Promoters’ Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters’ Contribution from the date of this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations. Details of Promoters’ Contribution are as provided below:

Name of the Promoter	Number of Equity Shares locked-in	Nature of Allotment / Transfer	Face value (in ₹)	% of post- Issue paid-up capital	Period of lock-in
Jaimin Kailash Gupta	[●]	[●]	[●]	[●]	18 months
Total	[●]			[●]	

For details on the build-up of the Equity Share capital held by our Promoters, see “*Details of the Build-up of our Promoters’ shareholding*” on page 58.

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

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter’ Contribution under Regulation 15 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 15 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares resulting from bonus issue by utilisation of revaluations reserves or unrealised profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters’ contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoters upon conversion of a partnership firm;
- Equity Shares held by the Promoters that are subject to any pledge; and

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

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

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

Other than the Equity Shares locked-in as Promoters' Contribution for a period of 18 (Eighteen) months as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoter' Contribution, as per Regulation 16(1)(b) and 17 of the SEBI (ICDR) Regulations, shall be locked in for a period of 6 (Six) months from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

Other requirements in respect of 'lock-in'

In terms of Regulation 22 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 17 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 22 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 16 (1) of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 21(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters' can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of six months from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans;

An over subscription to the extent of 1% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 1% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 18 (Eighteen) months.

Lock-in of Equity Shares Allotted to Anchor Investors

In terms of Schedule XIII of the SEBI ICDR Regulations, the Equity Shares, if any, allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days on 50% of the Equity Shares allotted from the date of allotment and 30 days on remaining 50% of the Equity Shares allotted from the date of Allotment".

15. Our Company, our Promoter, our Directors and the BRLM have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
16. The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
17. There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
18. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
19. We hereby confirm that there will be no Right Issue of Equity Shares whether by the way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
20. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
21. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Draft Red Herring Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
23. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
24. As on the date of this Draft Red Herring Prospectus, the BRLM and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
25. **Our Promoter and the members of our Promoter Group will not participate in the Issue.**
26. Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sl. No.	Name of Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1	Jaimin Kailash Gupta	4,91,88,670	81.32%
2	Dharmesh Tripathi	22,500	0.04%
	Total	4,92,11,170	81.36%

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

OBJECT OF THE ISSUE

The Issue comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 20,000 lakhs by our Company.

Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects:

- Expenditure for Expansion of our Retail Network by launching Exclusive Brand Outlets (EBOs)
- Expenditure for Barcelona for Business B2B App Development
- Expenditure to enhance the visibility and awareness of our Brand
- Working Capital Requirements
- General Corporate Purposes
- Issue Related Expenses

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

Additionally, we believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

Issue Proceeds

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

Particulars	Estimated Amount (₹ in lakh)
Gross Proceeds from the Issue	Up to 20,000
(Less) Issue Related Expenses	[●]
Net Proceeds	[●]

To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC

Requirement of Funds and Utilization of Net Proceeds

The Issue Proceeds are proposed to be used in the manner set out in the following table:

Particulars	Estimated Amount (₹ in lakh)
Expansion of our Retail Network by launching Exclusive Brand Outlets (EBOs)	2,351.70
Expenditure for Barcelona for Business B2B App Development	712.00
Expenditure to enhance the visibility and awareness of our Brand	2,000.00
Working Capital Requirements	13,334.70
General Corporate Purposes	[●]
Issue Related Expenses	[●]
Total	[●]

To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

Proposed schedule of implementation and utilization of Net Proceeds

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:

Particulars	Total estimated amount/ expenditure	Amount to funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal 2023
Expansion of our Retail Network by launching Exclusive Brand Outlets (EBOs)	2,351.70	2,351.70	2,351.70
Expenditure for Barcelona for Business B2B App Development	712.00	712.00	712.00
Expenditure to enhance the visibility and awareness of our Brand	2,000.00	2,000.00	2,000.00
Working Capital Requirements	13,334.70	13,334.70	13,334.70
General Corporate Purposes	[●]	[●]	[●]
Issue Related Expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

As per Management estimation, the total amount proposed to be utilized from the IPO Proceeds for the above-mentioned purpose is to be deployed by March 31, 2023 subject to getting approvals from regulatory authorities in a timely manner.

Since such expenditure does not involve the implementation of any specific project, a schedule of deployment of funds in relation to such Object has not been provided. If the Net Proceeds towards any of the Objects are not completely utilised towards such Objects by March 31, 2023, such amounts will be utilised (in part or full) in subsequent periods, as determined by us, in accordance with applicable law.

Any expenditure after filing of Draft Red Herring Prospectus till the listing for the above-mentioned objects, will be reimbursed to the Company on actually basis from the IPO Proceeds.

Means of Finance

The fund requirements set out for the aforesaid Objects are proposed to be met entirely from the Net Proceeds and internal accruals. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

Details of Objects of the Issue

1. Expansion of our Retail Network by launching Exclusive Brand Outlets

We deal in apparels for Men which are retailed to our customers through our retail outlets under the brand BARCELONA. As on May 31, 2022, our offline retail store channel comprises of 85 physical retail stores across 50+ cities in India. These stores are either owned by us and managed by Managing Franchisees or owned and operated by Franchisees.

To promote our brands further and meet the need for the growth as the market expands, we intend to open 130 EBOs for our brand 'BARCELONA' by March' 2023 on COCO model . The premises for the proposed new retail stores are expected to be taken on a lease basis. We typically lease our physical stores in India and do not own the underlying premises. Our company shall finalize the premises, execute the lease/ leave and license agreements, pay security deposit, undertake furnishing & interiors and appoint staff as per the requirements.

Methodology for computation of estimated costs:

The costs for setting-up 130 new EBOs primarily comprises of the following establishment costs:

- a) Capital Expenditure; and
- b) Rental deposits.

The size of our stores varies across regions and is dependent on various factors such as availability of suitable locations in Tier 1, Tier 2 and Tier 3 cities, addressable market, lease rentals etc. Our Company proposes to open 130 new EBOs across pan India as considered necessary and appropriate by our management with an estimated aggregate built up area of 800 sq.ft. per store ("Average Size"). The premises for the proposed new EBOs are expected to be taken on leasehold basis in line with the Company's business practices. Our estimate of costs mentioned above are based on (i) quotations received from different contractors and vendors from whom our Company has purchased similar items for our stores in the past, current quotations, industry standards, prevailing market rates, rate contracts and historical costs; (ii) average areas for EBOs and (iii) our internal estimates for specifications and item requirements based on our prior experience of setting-up EBOs.

The table below sets forth the total estimated costs for setting up of 130 new EBOs of Average Size:

Particulars	Estimated Amount (in lakhs)
Capital Expenditure	1,961.70
Rental deposits and Advances	390.00
Total estimated costs	2,351.70

The table below sets forth the total estimated costs for one EBOs of Average Size:

Particulars	Estimated Amount (in lakhs)
Capital Expenditure	15.09
Rental deposits and Advances	3.00
Total estimated costs	18.09

The detailed break-up of these estimated costs on a unit basis is as below:

a) Capital Expenditure

The capital expenditure would include, *inter alia*, the costs in relation to the fit-outs, information technology and utility cost. The table below sets forth the basis of our estimation for the capital expenditure.

Particulars	Estimated Amount (₹ in lakh)
Fit-outs	11.16
Information Technology	2.43
Utilities	1.50
Total Estimated cost per unit store	15.09

- (i) The fit-outs for our stores primarily include interior work (which includes, among others, civil work, paint work, ceiling and partition work, furniture and display, glass work, electrical work) and services work (which includes, among others, installation of pipe and ducts, smoke detectors, fire alarms and rolling shutters). Based on the Quotations, the estimated costs of various items are set out below for one proposed store of an Average Size.

Particulars	Unit	Qty	Estimated costs (in ₹)*
A Furniture			
Platform: Providing and fixing the bottom platform 3”H with LAM, & front will be in SS LAM 1MM, with edge binding on the top and all	SQFT	1	18,040
Wooden Shelves: Supplying & fixing all around with bevelling and polishing	SQFT	1	140,000
Pole Rack	Nos	40	54,000
Bracket 002	Nos	1400	119,000
Hanging C 01	Nos	20	12,000
4 Way browser	Nos	10	40,000
B LED Signing Board			
Frame Works	SQFT	1	12,000
‘BARCELONA’ LED Letters: 3mm Acrylic, Samsung LED module 1.5w	SQFT	1	18,000
Emboss LED strips: 3mm Acrylic, Samsung LED module 1.5w	Nos	46	25,300
In Side Branding: Eco Vinyl with foam sheet, standee frame, photo frame	SQFT	1	2,225
C Fire Sprinkler system and Fire extinguisher (inclusive of supply and labour)			
G.I. “B” Class ISI Pipe with required all fittings size – 40 mm	Mtr		6,780
G.I. “B” Class ISI Pipe with required all fittings size – 32 mm	Mtr		5,856
G.I. “B” Class ISI Pipe with required all fittings size – 25 mm	Mtr		7,020
CI Butterfly valve size – 40 mm PN 16 with SS parts ISI	Nos		2,100
Sprinkler 57 Degree Pendent Type	Nos		3,840
Fire Extinguisher Co2 Type 4.5-Kgs ISI	Nos		4,700
Fire Extinguisher ABC Type 6-Kgs ISI	Nos		2,150
D Boxing and Cleaning			

Particulars	Unit	Qty	Estimated costs (in ₹)*
Dumping & removing of all debris from site premises and also deep cleaning including laminate, glass shelves, facade glass and flooring	L/S	1	5,000
Letter fixing	Nos	2	6,000
Outside signage boxing	SQFT	43	10,750
Furniture Installation of all fixtures including lights, mannequins hanging, display stand, cash box, trial room stools.	L/S	1	7,000
Graphic Display Box Installation of graphic display box, supply and fixing 3mm white ACP sheet at backside of frame.	SQFT	71	10,650
Pebble boxing	RFT	8	400
Out Station Charges	L/S	1	25,000
SS Skirting - Main Entrance & Bottom TV BOX	RFT	24	3,600
Ply Above Ceiling At Mannequin area (39" X 6") & (57" X 6")	SQFT	5	1,125
E Services Work			
AHU			
Installation & Connection of AHU with Pipe & Duct	Lum	1	6,000
Supply, Installation, Testing & Commissioning of Chilled Water Pipe (32mm)	RFT	0	0
P/F of Drain Pipe with Insulation	RFT	18	3,600
Digital Thermostat	Nos	1	2,700
DUCTING			
24G Ducting with Thermal Insulation of 25mm aluminium coated glass wool with Installation	SQFT	228	19,380
Supply and fixing Aluminium Extruder powder coating grill supply and return	Nos	6	3,600
Supply and fixing of Volume Control Damper (20G)	Nos	3	1,500
Supply and fixing Duct Insulation 9mm	SQFT	228	14,820
P/F of Butterfly Valve (32mm)	Nos	2	4,500
P/F of Pressure Gauge	Nos	2	4,000
SMOKE DETECTORS			
Providing and Fixing smoke detectors (AGNEE-Make)	Nos	5	13,750
Smoke Detectors with FRLS Cable 1.5 Sq.mm armoured firm alarm Lower	RMT	130	7,150
Supply, Installation, Testing & Commissioning of MCP	Nos	1	1,500
FIRE ALARM			
Fire (Zone wise) 2 Zone Panel with Battery Back Up (AGNEE-Make)	Nos	1	17,000
Supply, Installation, Testing & Commissioning of Sprinkler	Nos	2	4,400
PEST CONTROL WORK	SQFT	500	4,000
ADDITIONAL WORKS			
Main Cable (4C x 16 Sq.mm)	MTR	4	1,000
4 Pole MCB Isolator	QTY	1	1,500
MCB Box Under Cash Counter	QTY	1	1,250

	Particulars	Unit	Qty	Estimated costs (in ₹)*
	ROLLING SHUTTER WORK			
	Supply and installation of Polycarbonate rolling shutter	SFT	150.37	82,704
	Supply and installation of 600kg motorist system chain fear and remote stater	Nos	1	28,000
	Supply of U-channel - 15foot	Nos	1	5,000
	Shutter transportation	LUm	1	1,500
F	Ceiling & Partition Work			
	Wooden partition for Trail Room & shelf::providing and fixing the partition using wooden frame both side 12mm plywood fixing finish with 1mm laminate on both side etc.	SQFT	108.54	37,989
	Trail room above storage & Doors with 19 mm ply and both side 1mm laminate	SQFT	27.28	6,138
	Trail room above 19mm ply fixed ceiling	SQFT	26	5,850
	Trap door with 19 mm ply with one side laminate and paint Finish	SQFT	16	3,600
	Cash counter door & Storages	SQFT	22.6	9,040
	36mm vertical partition	SQFT	125	43,750
	Shutter back side boxing 19mm ply	SQFT	62	13,640
	Keyboard tray	L/S	1	800
	TV cabinet	SQFT	80	18,000
	Wall cladding of 19 mm ply with frame & Laminate	SQFT	700	157,500
	P/F of wooden door with all required hardware fittings/mirror.	Nos	2	17,000
	65mm partition with wooden frame and 12mm ply with laminate finish	SQFT	49	18,130
	150mm partition wooden frame and 12mm ply with laminate finish	SQFT	32	13,280
	Total			11,16,107

* based on quotations received from contractors and vendors

- (ii) The cost to be incurred towards information technology include cost of purchasing and installing Laptop and accessories. Based on the Quotations, the estimated costs of various items are set out below.

Description	Unit	Quantity	Estimated costs (in ₹)*
Laptop			
5420 Intel®Core™i7-1165G7/ 16GB/ 512GB SSD/Windows 10 Pro/ 35.56cm (14) FHD with accessories, 4 Port NVR , 4 No's of Cameras 5 MP, 3+1 Cable with all CCTV accessories	Nos	2	2,43,350
Total			2,43,350

* based on quotation dated June 11, 2022

- (iii) The cost to be incurred towards utilities include purchase and installation of Air Conditioner. Based on the Quotation, the estimated costs of various items are set out below.

Particulars	Unit	Qty	Estimated costs (in ₹)*
Air conditioners			
Split 2-ton AC	Nos	3	150,000
Total			1,50,000

* based on quotation dated May 24, 2022

b) Rental Deposits:

The sizes of our retail stores vary across regions and are dependent on various factors such as type / format of the retail store, availability of suitable locations, addressable market, lease rentals, competition within a given region or across regions, etc. Considering our strategy for setting-up new retail stores across regions, we have considered an average store size of 800 square feet ("Average Store Size") for arriving at the estimated costs for setting-up a new retail store. The estimated average rental deposit for a retail store is ₹ 3,00,000 aggregating to ₹ 390 lakh for the 130 new EBOs of Average Size. These rental deposit estimates have been computed on the basis of average rental deposit expenditures incurred by our Company in the past and as well as current market conditions.

Our Company may have not entered into any definitive agreements with any or all of these contractors/vendors and there can be no assurance that the same contractors/vendors would be engaged to eventually supply the materials.

2. Expenditure for Barcelona for Business B2B App Development:

Our company launched Barcelona for Business (B2B) apparel business application on 1st January, 2022 to streamline the distribution of apparels in the country. The app is designed to streamline logistics to lead to increased revenue. The company has on boarded 5000+ retailers on its platform and has successfully completed 800+ orders since the launch of its app. The company aims to have a network of 50,000 retailers within a span of 1 year. Unlike other B2B apps, the Barcelona app allows retailers to easily know which products work best at their store and effortlessly manage customer data. Through this mobile app, all retailers will be able to manage all of their inventory, which ultimately will improve the efficiency and profitability of the inventory management and customer billing process. This application gives retailers total control of their shopping experience and acts as a one stop shop for all the latest trends. The App is available in Android as well as iOS. Barcelona B2B app will be the new age apparel Wholesale Mart of India.

The company proposes to utilise Rs.712.00 lakhs from the net proceeds of the issue to develop and upgrade the app using the latest technologies for which the expense will be as follows:

Work Particulars	Estimated costs (in ₹)
Multi – Platform Development for B2B Apparel business	7,12,00,000
a) iOS based admin control panel	
b) iOS App for merchants	
c) Android based admin control panel	
d) Android App for merchants	
e) Web based franchisee operations management system	
f) Web based admin control panel	
g) Web based App for merchants	
Total 7 Cloud-based, mobile first apps development for automating apparel business chain.	

Cloud Services:

- AWS (EC2, S3, Aurora) instances with RDS and Lambda

UI/UX Tools:

Work Particulars	Estimated costs (in ₹)
Adobe XD, Balsamiq	
Frontend Technologies:	
Flutter, Native iOS, Native Android/Kotlin, React. Js, Angular. Js	
Backend Technologies:	
Node. Js, Python	
Architecture	
3 Tier Scalable Architecture to 10000+ concurrent users - Separate servers for database, API, Load balancing in development, staging and production environments - Scalable system architecture that can provide reusable programming interfaces to other clients such as Handheld devices, Watches, POS Systems and alike	
Documentation	
- Technical documentation of the technology stack along with usage guidelines - Functional documentation of features and how/to guides	
Duration: 24 months for complete APP development	
Total	7,12,00,000
<i>* based on quotation dated May 17, 2022</i>	

3. **Expenditure to enhance the visibility and awareness of our Brand:**

We sell our products under ‘BARCELONA’ brand and have also crafted another brand as ‘TRIDHYA’. Our owned brands play a key role in increasing the assortment of products for our consumers and have a high recall and function as independent brands. The manufacturing for our owned portfolio brands is carried out by third party vendors and all our brands are available on our online and offline channels, as well as at third party retailers and other e-commerce platforms. For further details, see “Our Business” on page 132.

We have historically expended significantly towards marketing and promotions with a view to enhance the visibility of all our brands for the purpose of customer acquisition and retention. This consists of general advertising, marketing and branding initiatives on digital and offline platforms. Over the years, as our business has grown, our marketing strategies have evolved. We have also designed branding initiatives to acquire, engage and retain our customers.

In light of the above, we intend to continue our focus on marketing and promotional activities to strengthen our existing brands and also establish and promote new brands, with the objective of reaching out to new as well as existing consumers, strengthen our engagement with them as well as promote our owned brands. We plan to continue expenditure in our branding activities on historically successful mediums, while also expanding our marketing presence to capture shifts in consumers’ media consumption habits, to increase our brands’ awareness and brand affinity to attract more consumers on our platform. In addition, we also plan to fund our strategic growth initiatives such as ‘BARCELONA FAMILY STORE’, ‘BARCELONA CHILDREN WEAR’ stores to increase our customer base through sales promotions, marketing, branding and any other launches of new categories or channels.

The total amount proposed to be utilized towards expenditure to enhance the visibility and awareness of our brands is 2,000 lakhs, and is proposed to be deployed by March 31, 2023, in accordance with our requirements.

4. Working Capital Requirement and basis of estimation:

Our business is working capital intensive and our Company funds a majority of our working capital requirement through Internal accruals and Unsecured Loans. For the expansion of our business, to enter new geographical areas and future growth requirements, our Company requires additional working capital which is based on our management estimations of the future business plan.

Details of estimation of working capital requirement are as follows:

(₹ in lakh)

Particulars	31-03-2019	31-03-2020	31-03-2021	31-01-2022	31-03-2022	31-03-2023
	Standalone Audited				Provisional	Estimated
Cash & Bank Balance	18.54	41.83	57.91	737.31	463.15	350.00
Sundry Debtors	83.57	153.15	400.50	2,691.41	2,894.09	8,230.00
Inventory	91.59	210.50	379.38	1,080.87	1,800.00	7,716.00
Short Term Loans and Advances	83.98	184.17	932.08	995.79	969.79	4,072.00
Other Current Assets	-	-	241.53	429.39	404.38	898.67
Total Current Assets	277.68	589.65	2,011.40	5,934.77	6,531.41	21,266.67
Sundry Creditors	203.10	445.38	846.35	3,764.44	4,113.48	2,486.00
Other Current Liabilities	64.44	145.07	393.83	264.81	365.39	314.42
Total Current Liabilities	267.54	590.45	1,240.18	4,029.25	4,478.87	2,800.42
Working Capital Gap	10.14	(0.80)	771.22	1,905.52	2,052.54	18,466.25
Source of Working Capital						
Proceeds from IPO	-	-	-	-	-	13,334.70
Short Term Borrowings	4.20	4.20	267.50	377.19	373.19	350.00
Internal Accrual	5.94	(5.00)	503.72	1528.33	1,679.35	4,781.55
Total	10.14	(0.80)	771.22	1,905.52	2,052.54	18,466.25

Particulars	31-03-2019	31-03-2020	31-03-2021	31-01-2022	31-03-2022	31-03-2023
Sundry Debtors Holding period (Months)	3.30	2.70	3.90	5.53	3.24	3.00
Inventory Holding Period (Months)	3.62	3.71	3.69	2.22	2.01	2.81
Sundry Creditor Holding Period (Months)	10.77	8.91	8.03	7.96	4.58	1.14

Particulars	Details
Sundry Debtors Holding period	In Fiscal 2019, 2020 and 2021 our average Debtor holding period was 3.30 months, 2.70 month and 3.90 month respectively and expected to be at 3.24 months as per provisional figure of Fiscal 2022. We are estimating to maintain the Debtor holding period at levels of 3.00 months for Fiscal 2023 as per our projected financials and market condition.
Inventory Holding Period	In Fiscal 2019, 2020 and 2021 our average Inventory holding period was 3.62 months, 3.71 month and 3.69 month respectively and expected to be at 2.01 months as per provisional figure of Fiscal 2022. We are estimating to maintain the Inventory holding period at levels of 2.81 month for Fiscal 2023 as per our projected financials and market condition.
Sundry Creditor Holding Period	In Fiscal 2019, 2020 and 2021 our average Creditor holding period was 10.77 month, 8.91 months and 8.03 month respectively and expected to be at 2.01 months as per provisional figure of Fiscal 2022. However, going forward we are estimating to maintain the Creditor holding period at levels of 1.14 months for Fiscal 2023 to avail better pricing and reducing the cost of purchase.

5. General Corporate Purpose:

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by our Company through this issue, in compliance with the Regulation 7(2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Net Proceeds i.e., [●] lakh, which is [●]% of the amount being raised by our Company through this issue, towards general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- a) Strategic initiatives
- b) brand building and strengthening of marketing activities; and
- c) ongoing 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 balance Net Proceeds for general corporate purposes, as mentioned above.

6. Issue Related Expense:

The expenses for this Issue include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees, statutory expenses etc. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Estimated Expenses (₹ In lakh)	% of Total Issue Expenses	% of the Total Issue Size
Lead Manager Fees including other intermediaries Fees	[●]	[●]	[●]
Regulators Including Stock Exchanges	[●]	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]	[●]
Printing and distribution of Issue Stationary	[●]	[●]	[●]
Total	[●]	[●]	[●]

- i) To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC
- ii) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Bidders	[●] % of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders	[●] % of the Amount Allotted (plus applicable taxes)

Further, bidding charges of ₹ [●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable goods and services tax).

- iii) *Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes). Processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows:*

<i>RTAs / CDPs/ Registered Brokers</i>	<i>₹ [●] per valid Bid cum Application Form (plus applicable taxes)</i>
<i>Sponsor Bank</i>	<i>₹ [●] per valid Bid cum Application Form (plus applicable taxes)</i> <i>The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws</i>

Appraisal by Appraising Agency

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the BRLM or appraised by any bank, financial institution or any other external agency. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. The actual costs would depend upon the negotiated prices with the vendors/suppliers/contractors and may vary from the above estimates.

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

Bridge Financing

As on the date of this Draft Red Herring Prospectus, we have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds. However, in case of delay in the IPO and consequent delay in accessing the net proceeds of the Issue, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit / term loan facility with our lenders, to finance setting up of facilities as described in the Section 'Objects of the Issue' until completion of the Issue. Any amount that is drawn down from such facility availed from any Bank/NBFC or Financial Institution during this period to finance 'Objects of the Issue' 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 one or more 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 utilisation 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

Our Company will appoint [●] as monitoring agency (Credit rating agency registered with the SEBI) in accordance with Regulation 41 of the SEBI ICDR Regulations, if the issue size exceeds ₹10,000.00 lakh, before filing of the Red Herring Prospectus.

The said monitoring agency shall submit its report to our Company in the format specified as per SEBI ICDR on a quarterly basis, till 100% (hundred per cent) of the proceeds of the issue have been utilised. The board of directors and the management of the issuer shall provide their comments on the findings of the monitoring agency as per specified format of SEBI ICDR.

Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and within 45 (Forty-Five) days from the end of each quarter will publicly disseminate the report of the monitoring agency by uploading the same in our Company website as well as submitting the same to the stock exchange(s) on which our equity shares are listed as required under Regulation 41 of the SEBI ICDR.

Our Company will also disclose the utilisation 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 utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's Report, after placing the same before the Audit Committee.

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 authorised 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.

There are no existing or anticipated transactions in relation to the utilization of the Net Proceeds with the Promoters, Directors, Key Managerial Personnel or Group Companies.

BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company in consultation with the BRLM, on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 1/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to “Our Business”, “Risk Factors”, “Financial Statements” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 132, 25, 194 and 230, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Brand Barcelona with well diversified product portfolio;
- Multi-channel pan-India distribution network with a focus on EBOs, enhancing brand visibility;
- Well experienced management team with proven project management and implementation skills;
- Extensive procurement base with highly efficient and technology-driven supply chain management;
- Comprehensive product portfolio enables us to serve diverse customers
- demonstrated track record of strong financial performance.

For further details, see “Risk Factors” and “Our Business” on pages 25 and 132, respectively.

Quantitative Factors

The information presented in this Section is derived from our Restated Consolidated Financial Statements. For details, see “Financial Statements” on page 194. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

1. Basic and Diluted Earnings per Share (EPS), as adjusted for change in capital*

Particulars	With Retrospective Effect (in ₹)	Diluted EPS (in ₹)	Weight
Year ended March 31, 2019	0.46	4.63	1
Year ended March 31, 2020	0.47	4.67	2
Year ended March 31, 2021	2.50	25.04	3
Weighted Average	1.48	14.85	--
For the ten months period ended January 31, 2022 (Not Annualised)	0.24	2.39	

* As restated, divided by number of equities shares outstanding at the end of the period/year after giving retrospective effect of split of Equity Shares post restated period i.e., after January 31, 2022. Post-split of face value from ₹ 10/- to ₹ 1/-, the total no. of equity shares has been increased to 10,00,00,000 from 1,00,00,000 without any fresh infusion of equity capital.

Note:

- *Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year.*
- *Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.*
- *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.*
- *The EPS has been calculated in accordance with IND AS 33 – “Earnings per Share” notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended.*

- The Board of Directors and shareholders of the Company at their meeting held on February 17, 2022, have approved stock split of one equity share having face value of ₹10/- each into Ten equity shares having face value of ₹ 1/- each.

2. Price to Earning (P/E) Ratio in relation to the Issue Price of ₹ [●] to ₹ [●] per equity share of face value of ₹ 1/- each

Particulars	P/E at the Floor Price (No. of times)	P/E at the Cap Price (No. of times)
Based on basic and diluted EPS of ₹ [●] as per the Restated Financial Information for the year ended March 31, 2021	[●]	[●]
Based on Weighted Average EPS of ₹ [●] as per the Restated Financial Information for the year ended March 31, 2021	[●]	[●]
Based on basic and diluted EPS of ₹ [●] as per the Restated Financial Information for the period ended January 31, 2022	[●]	[●]

3. Industry P/E Ratio

Particulars	P/E Ratio
Highest	154.06
Lowest	12.93
Average	55.37

4. Average Return on Net Worth (RoNW):

Particulars	RoNW in %	Weight
Year ended March 31, 2019	22.29%	1
Year ended March 31, 2020	17.91%	2
Year ended March 31, 2021	14.22%	3
Weighted Average	16.80%	
For the ten months period ended January 31, 2022 (Not Annualised)	11.94%	

- RoNW (%) = Net profit after tax/ Net worth at the end of the year.
- Net worth = Equity share capital + Other Equity (including Securities Premium and Surplus/ (Deficit)).
- 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}

5. Net Assets Value as adjusted for change in capital*:

Particulars	Amount
Net Asset Value per Equity Share as of March 31, 2021	46.28
For the ten months period ended January 31, 2022 (Not Annualised)	13.02
For the ten months period ended January 31, 2022 (Not Annualised) (after considering Split impact after restated)	1.30
Net Asset Value per Equity Share after the Issue	
○ At the Floor Price	[●]
○ At the Cap Price	[●]
Issue Price per equity share	[●]

* As restated, divided by number of equities shares outstanding at the end of the period/year after giving retrospective effect of split of Equity Shares post restated period i.e., after January 31, 2022. Post-split of face value from ₹ 10/- to ₹ 1/-, the total no. of equity shares has been increased to 10,00,00,000 from 1,00,00,000 without any fresh infusion of equity capital.

Note:

- Issue Price per Equity Share will be determined on conclusion of the Book Building Process.
- Net asset value per share= Net worth as restated / Number of equity shares as at period/ year end
- Net Asset Value per equity share represents “total assets less total liability (excluding deferred tax) as per the restated financial information as divided by the number of equities shares outstanding as at the end of year/period.

6. Comparison with Listed Industry Peers:

We believe that none of the listed companies in India offer products or services across the various business segments in which we operate. Hence a strict comparison is not possible.

Name of the Company	Face Value	EPS	NAV Per Equity Share	P/E Ratio*	RONW (in %)
Go Fashion (India) Limited	10.00	19.29	81.17	154.06	83.88
Cantabil Retail India Limited	10.00	10.00	98.04	39.42	6.50
Kewal Kiran Clothing Limited	10.00	190.00	77.60	15.08	145.22
Kitex Garments Limited	1.00	150.00	128.53	12.93	234.69
Stitched Textiles Limited [#]	10.00	2.39	13.02	[●]	11.94

* Source: Capitaline and Annual Report for the Financial Year ended March 31, 2022

[#] Based on Restated Consolidated Financial Statement for the ten-month period ended January 31, 2022

7. The Offer price is [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM on the basis of assessment of market demand from investors for the Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with “Risk Factors”, “Our Business” “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 25, 132, 194 and 230 respectively, to have a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO STITCHED TEXTILES LIMITED (FORMERLY KNOWN AS STITCHED TEXTILES PRIVATE LIMITED) ("THE COMPANY"), THE SHAREHOLDERS OF THE COMPANY AND ITS SUBSIDIARIES UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,
The Board of Directors
Stitched Textiles Limited
1202, Addore Aspire
Nr. Jahanvee Restaurant
University to Panjrapole Road
Ahmedabad, Gujarat, 380015, India

Dear Sirs,

Re: Proposed initial public offering of equity shares of face value of Rs. 1 each (the "Equity Shares") of Stitched Textiles Limited (the "Company") (the "Issue")

Sub.: Statement of possible Special Tax Benefits available to the Company, its equity shareholders and its subsidiaries under the direct and indirect tax laws

We refer to the proposed initial public offering of equity shares (the "Issue") of Stitched Textiles Limited (formerly known as "Stitched Textiles Private Limited") (the "Company"). We enclose herewith the statement (the "Annexure") showing the current position of special tax benefits available to the Company, to its shareholders and its subsidiaries as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2022-23 relevant to the financial year 2021-22 for inclusion in the Draft Red Herring Prospectus ("DRHP") for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

The company doesn't have any subsidiary.

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

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

The contents of the enclosed Annexure are based on the representations obtained from the Company and its subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its subsidiaries.

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

- The Company or its Shareholders or its subsidiaries will continue to obtain these benefits in future;

- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the ICDR Regulations.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company, its shareholders and its subsidiaries in the DRHP for the proposed initial public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India and the National Stock Exchange of India Limited (the “Stock Exchanges”) where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the DRHP.

We also consent to the references to us as “Experts” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Offer Documents or in any other documents in connection with the Issue.

We undertake to inform you promptly, in writing of any changes to the above information until the Equity Shares commence trading on relevant stock exchanges where the equity shares of the Company are proposed to be listed (the “**Stock Exchanges**”), pursuant to the Issue. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Issue.

We hereby indemnify and keep indemnified, saved, defended and harmless the Book Running Lead Manager and Legal Counsel to the proposed Issue of the Company and all persons claiming under them (“**Indemnified Persons**”), from and against all losses and/or damages arising as a result of the aforementioned representations made by us in order to disclose details of the same in the Offer Documents including the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Preliminary International Wrap/Offering Memorandum, the Abridged Prospectus etc., for the Issue or arising as a result of any notices, proceedings, litigations, claims, penalties, demands and costs that may be made and/or raised on the Indemnified Persons by any concerned authority(ies) and/or with regard to any matter arising in connection thereto or otherwise by reason of the matter contemplated herein and/or sustained by the Book Running Lead Manager and/or Legal Counsel to the Issue as a result of any statements, representations, assurances, confirmations hereinunder given being untrue.

Yours sincerely,

For M/s J S Maheshwari & Co
Chartered Accountants
FRN: 001318C

Sd/-

Dilip Maliwal
Partner
Membership No. 148387
Place: Ahmedabad
Date: 17th May, 2022
UDIN: 22148387AKUHXV7860

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO STITCHED TEXTILES LIMITED (FORMERLY KNOWN AS “STITCHED TEXTILES PRIVATE LIMITED”) (“COMPANY”), THE SHAREHOLDERS OF THE COMPANY (“SHAREHOLDERS”) AND ITS SUBSIDIARIES

The information provided below sets out the possible special direct and indirect tax benefits available to Stitched Textiles Limited (formerly known as “Stitched Textiles Private Limited”) (the Company”), the shareholders of the Company (“Shareholders”) and its subsidiaries (“subsidiaries”) in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its shareholders or its subsidiaries will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, SHAREHOLDERS OF THE COMPANY.

I. Special direct tax benefits available to the Company

The company is not entitled to any special tax benefits under the Act.

II. Special direct tax benefits available to Shareholders

The shareholders of the company are not entitled to any special tax benefits under the Act.

NOTES:

1. The above benefits are as per the current tax law as amended by the Finance Act, 2021.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders/investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
3. Health and Education Cess at 4% on the tax and surcharge is payable by all category of taxpayers.

STATEMENT OF SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS.

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as “Indirect tax”)

I. Special indirect tax benefits available to the Company

There are no special tax benefits available to the Company under the indirect tax laws.

II. Special indirect tax benefits available to Shareholders

There are no special tax benefits applicable in the hands of the shareholders for investing in the shares of the Company under the indirect tax laws.

SECTION IV: ABOUT THE COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from the independent report titled “Market Report on Textile and Apparel Industry” dated June 10, 2022, prepared and released by ITCOT Limited appointed by us on May 26, 2022, and exclusively commissioned, and paid for by our Company. ITCOT Limited is not in any way related to our Company, our Directors or Promoters. This ITCOT Report shall be part of the material documents available for inspection.

The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless otherwise specified, all references to a particular year refers to the calendar year.

2.0 MARKET ASPECTS OF TEXTILE INDUSTRY

2.1 INTRODUCTION

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

2.2 EVOLUTION OF THE INDIAN TEXTILE SECTOR

Pre 1990’s

- The first cotton textile mill of Mumbai was established in 1854
- The first cotton mill of Ahmedabad was found in 1861; it emerged as a rival centre to Mumbai
- Number of mills increased from 178 in 1901 to 417 in 1945
- Out of 423 textile mills of the undivided India, India received 409 after partition and the remaining 14 went to Pakistan

1991-2000

- In 1999, TUFs was set up to provide easy access to capital for technological upgradation
- TMC was launched to address issues related to low productivity and infrastructure
- In 2000, NTP was announced for the overall development of the textile and apparel industry

2000-2015

- SITP was implemented to facilitate setting up of textile units with appropriate support infrastructure
- After MFA cotton prices are aligned with global prices.
- Technical textile industry will be a new growth avenue
- Free trade agreement with ASEAN countries and proposed agreement with EU under discussion
- Restructured TUFs was launched attracting a subsidy cap of US\$ 420.65 Million

2016 Onwards

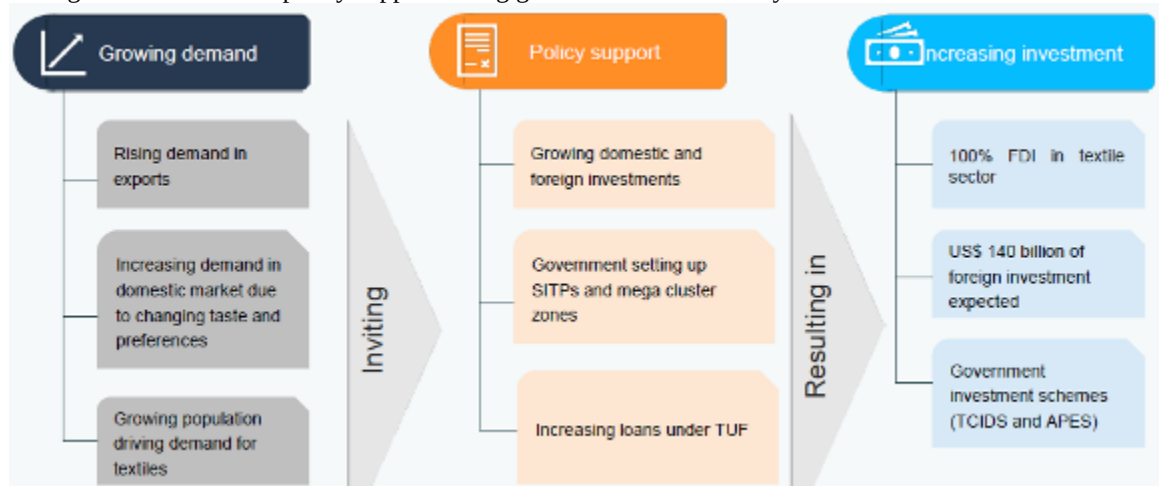
- Make in India campaign was launched to attract manufacturers and FDI
- Technology Mission for Technical Textile has been continued

- Under Union Budget 2022-23, the Government of India allocated ~ Rs. ₹12,382.14 crore to the Ministry of Textiles
- The Mega Integrated Textile Region and Apparel (MITRA) Park scheme was launched to establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period.

Note: NTP-National Textile Policy; ASEAN-Association of Southeast Asian Nations, TUFs-Technology Upgradation Fund Scheme; TMC-Technology Mission on Cotton, EU-European Union
Source: Union Budget 2021-22

2.3 GROWTH DRIVERS OF TEXTILE INDUSTRY

Strong fundamentals and policy support aiding growth in textile industry as follows:



Source: Ministry of Textiles

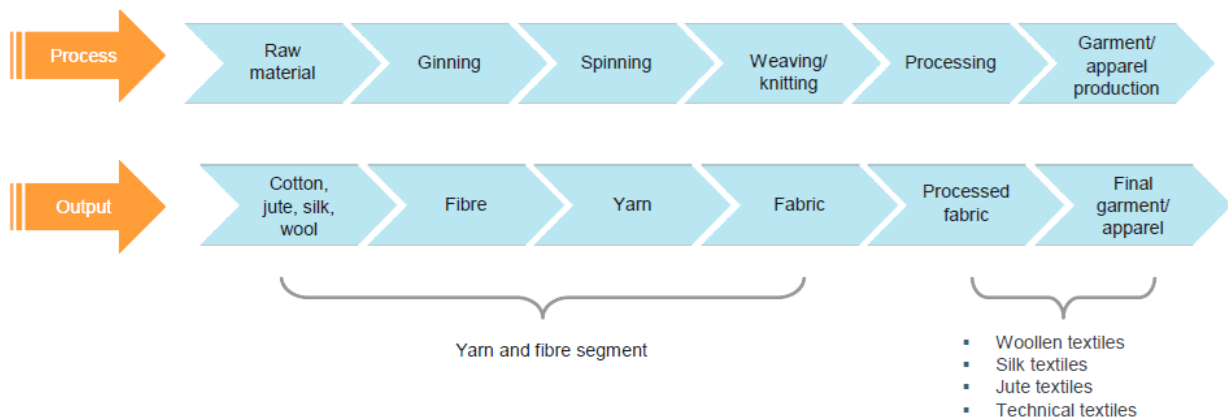
Note: TCIDS -Textile Center Infrastructure Development Scheme, APES -Apparel Park for Exports Scheme.

2.4 CATEGORY-WISE RECOVERY

Consumption in all the apparel categories was impacted negatively in 2020. However, the pace of recovery for each category was different.



2.5 KEY SEGMENTS OF THE TEXTILE INDUSTRY



Source: Textile Ministry, Make in India

2.6 GLOBAL TEXTILE BUSINESS IN MARKETS

Asia which is one of the largest markets for the textile industry in the world, has suffered from the prolonged lockdowns and restrictions in the majority of Asian countries along with the sudden drop in international demand for their products. The loss was particularly high in countries where the textile industry accounted for a larger share of the exports.

According to the study by the International Labour Organization (ILO) the global textile trade collapsed during the first half of 2021. Also, exports to the major buying regions in the European Union, the United States, and Japan fell by around 70%. The industry also suffered several supply chain disruptions due to the shortages of cotton and other raw materials.

The textile industry is an ever-growing market, with key competitors being China, the European Union, the United States, and India. China is the world's leading producer and exporter of both raw textiles and garments. The United States is the leading producer and exporter of raw cotton, while also being the top importer of raw textiles and garments. The textile industry of the European Union comprises Germany, Spain, France, Italy, and Portugal at the forefront with a value of more than 1/5th of the global textile industry.

India is the third-largest textile manufacturing industry and is responsible for more than 6% of the total textile production, globally. The rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to have modern installations which are capable of high-efficient fabric production. These factors are helping the textile industry to record more revenues during the study period and are expected to help the industry further in the forecast period.

2.6.1 MARKET GROWTH

The global textile market size is expected to grow from \$530.97 billion in 2021 to \$575.06 billion in 2022 at a compound annual growth rate (CAGR) of 8.3%. The textiles market is expected to grow to \$760.21 billion in 2026 at a CAGR of 7.2%.

Increasing demand for online shopping is expected to drive the textile manufacturing market. Manufacturers can now sell their products on a larger platform than before, which will increase their customer base geographically driving the growth of the textile manufacturing market. In countries such as India, for instance, e-commerce portals have boosted the sales of traditional garments by giving larger exposure to producers who were confined to one geography.

The textile industry in the Asia Pacific is expected to witness a significant growth, owing to the thriving fashion and clothing industry in countries like India, China, and Vietnam, among others. Over the forecast period, the growing trade agreements between various countries to support the textile sector are likely to aid the market in the region. For instance, in India, 100% foreign direct investment (FDI) is allowed in the textile sector. Further, the market is expected to be augmented by the growing demand for medical textiles, especially after the COVID-19

pandemic. Asia Pacific was the largest region in the textile market in 2021. Western Europe was the second largest region in the textile market.

Major companies in the global textile market include:

- BSL Ltd.
- INVISTA Srl.
- Lu Thai Textile Co., Ltd.
- Paramount Textile Ltd.
- Paulo de Oliveira, S.A.
- Successori REDA S.p.A.
- Shadong Jining Ruyi Woolen Textile Co. Ltd.
- Sinopec Yizheng Chemical Fibre Company Ltd.
- China textiles Ltd.
- Rhodia SA
- Li & Fung Group
- Modern Woollens Ltd.
- Mayur Suitings
- JCT Ltd.
- Toray Industries Inc.,
- Daiwabo Holdings Co Ltd
- Mohawk Industries Inc.
- Ashley Furniture Industries Inc.
- Berkshire Hathaway Inc.
- Far Eastern New Century
- Tarkett S.A
- Beaulieu International Group
- Masco Corporation
- B.C. Corporation

2.6.2 INCREASING DEMAND FOR NATURAL FIBERS

Natural fiber composites are relatively lighter and have more strength than conventional fibers, and therefore, find extensive application in the automotive industry for interior and exterior applications. Natural fibers obtained from plants and animals include cotton, silk, linen, wool, hemp, jute, and cashmere. These fibers are widely used to manufacture garments, apparel, construction materials, medical dressings, and interiors of automobiles, among others.

The abundance of natural fibers, especially cotton, in China, India, and the United States, is contributing significantly to the growth of the global textile market. Silk is used in upholstery and apparel, as it is available in both variations fine as well as coarse. Wool and jute are used as textile materials for their resilience, elasticity, and softness. The increasing consumption of natural fibers, such as cotton, silk, wool, and jute, will drive the global textile market during the forecast period.

2.6.3 PRODUCT INSIGHTS

Natural fibers led the market in 2021 accounting for the maximum revenue share of more than 44.5%. This high growth was attributed to the wide use of natural fibers in diverse applications of the fashion and apparel industry.

2.6.4 APPLICATION INSIGHTS

The fashion application segment led the market and accounted for more than 73% of the global revenue share in 2021 owing to the increased consumer spending on clothing and apparel. In addition, high consumer demand for crease-free suiting & shirting fabrics, as well as quality-dyed & printed fabrics across the globe will drive the segment growth further. An increase in demand for formal & casual wear and other fashionable clothing among all age groups across the globe is the major growth driving factor for the market.

Moreover, the growing population and rapid urbanization in the emerging economies, such as India, Bangladesh, Vietnam, and Brazil, are likely to boost the demand for clothing and apparel, thereby positively contributing to the segment growth.

2.6.5 REGIONAL INSIGHTS

Asia Pacific dominated the market and accounted for over 48% share of global revenue in 2021 owing to the increased sales volume of clothing and apparel goods. In addition, the presence of a high number of customers on e-commerce platforms buying clothing and related accessories in developing economies is adding positive growth to the regional market. Increased penetration of organized retail, favorable demographics, rising disposable income levels, and favorable government policies are also expected to drive the market in APAC, especially in countries, such as India, Bangladesh, and Pakistan.

2.6.6 GLOBAL COVID-19 IMPACT

The COVID-19 pandemic has challenged the textile industry drastically in 2020. Asia, which is one of the largest markets for the textile industry in the world, has suffered from the prolonged lockdowns and restrictions in the majority of Asian countries along with the sudden drop in international demand for their products. The loss was particularly high in countries where the textile industry accounted for a larger share of the exports. Also, exports to the major buying regions in the European Union, the United States, and Japan fell by around 70%. The industry also suffered several supply chain disruptions due to the shortages of cotton and other raw materials.

2.7 INDIAN TEXTILE MARKET

The Indian textile industry has an awesome existence in the Indian economy. It is the second largest employer after the Agriculture. It is one of the largest in the world with a massive raw material and textiles manufacturing base. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings. Around 35 million people are directly employed in the textile manufacturing activities. Indirect employment including the manpower engaged in agricultural based raw-material production like cotton and related trade and handling could be stated to be around another 60 million.

India has a diverse and rich textile tradition. The origin of Indian textiles can be traced to the Indus valley civilization. The people of this civilization used homespun cotton for weaving their garments. Excavations at Harappa and Mohen-jo-Daro, have unearthed household items like needles made of bone and spindles made of wood, it shows that homespun cotton was used to make garments.

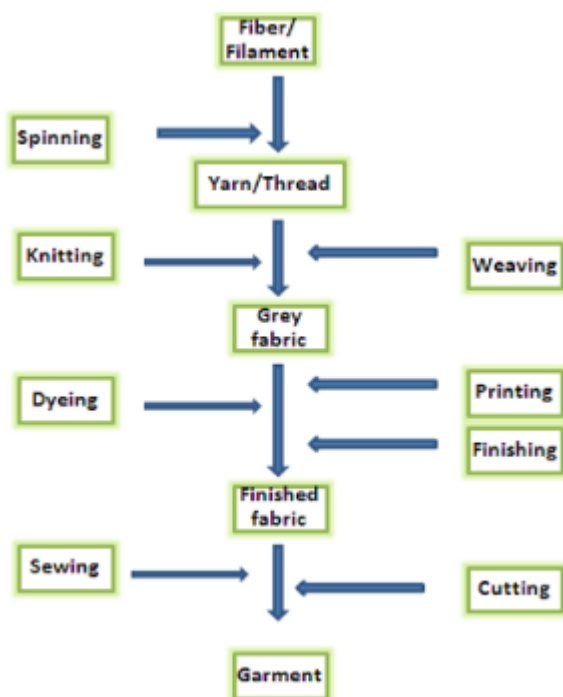
The Indian textiles, famous for their fineness and captivating colours for ages beyond 5,000 years, have attracted all parts of the world. India had numerous trade links with the outside world and Indian textiles were popular in the ancient world. Indian silk was popular in Rome in the early centuries of the Christian era. Cotton textiles were also exported to China during the heydays of the silk route. Silk fabrics from south India were exported to Indonesia during the 13th century. India also exported printed cotton fabrics or chintz, to European countries and the Far East before the advent of the Europeans in India.

Our growth in the fabric production, though steadily have gone up on all economic parameters but inadequate to compete in a globalised scenario. As far as the Indian weaving capacity in the world are concerned, in terms of loomage, we are at the top but our neighbour China has the largest number of shuttleless looms and thus stands at top for its manufacturing capacity.

The development of the textile industry in India can be traced by referring to the development of handlooms, which met major requirements of the population in 19th century. Today the textile industry comprising of textile mills on the one hand and largely dispersed handlooms and powerloom on the other, fulfilling the clothing needs of the country.

In Indian textile industry has three sectors i.e. a) Mill Sector 2) Handloom Sector and 3) Powerloom Sector. Structurally, the mill sector consists of about 1834 mills including composite and spinning mills. There are about 35 lakh handlooms dispersed all over India. The powerloom sector consists of about 22.05 lakh powerlooms distributed over more than 5 lakh units.

Maharashtra occupies a premier position in the textile map of the country with the largest number of powerlooms in the state. It is next to the agriculture. It has vast potentiality for creating employment opportunities to millions. It is recognized as a self-reliance industry, right from the production of raw material to the delivery of finished product, with substantial value addition at each stage of processing. The State of Maharashtra is having highest area under cotton cultivation i.e. 3.50 million hectares and is second highest cotton producer in the country i.e. 6.7 million bales per annum.



In the State there are 3.96 million installed spindles and 10.054 million installed rotors. The state has a production capacity of 368.45 million kilograms of spun yarn and 339.51 million kilograms of manmade filament yarn. Out of it, in the co-operative sector there are 1.5 million installed spindles and 0.08 lakh installed rotors.

In the state there are about 11.06 lakh powerlooms working in the decentralized powerloom sector. These powerlooms at an average are producing about 10,123.78 million meter cloth per annum and providing direct employment to about 2.00 million

people. The cotton and manmade fibre yarn is a basic raw material for the powerloom sector. The power loom 4 sector is spread over small villages and towns of the state. Mostly, units are comprised of 2 to 4 power looms and termed as small and tiny units. As per general assessment 70% to 80% units in the state are working on job work basis.

In the state, the powerloom sector requires 1,012.38 million kilogram of yarn. The spinning mills under the co-operative sector in the state are just producing 1.20 million kilogram of yarn per annum, which is 10% of the total requirement of yarn by the powerloom sector. The requirement of remaining 90% yarn is fulfilled by the other states. The important clusters in the state are Bhiwandi, Malegaon, Ichalkaranji, Solapur and Nagpur.

2.7.1 KEY FACTS

- Indian Textile Industry is one of the largest and oldest industry in India.
- Indian Textile Industry is highly fragmented industry; at the same time it is an independent and self-reliant industry that has shown sustainable growth over the years.
- Indian Textile Industry is second largest industry in terms of providing vast employment opportunities and employs around 35 million people in country after agriculture sector.
- The Indian Textile Industry plays vital role in economic development and contributes 14% to industrial production in the country.
- Textile Industry contributes around 4% of GDP, 9% of excise collections, 18% of employment in industrial sector, and has 16 % share in country's export.
- Industry has direct and strong linkage with rural and agriculture sector, therefore it is estimated that, one of every six households in country is directly or indirectly dependent on this industry.
- Industry contributes around 25% share in the world trade of cotton yarn.
- India is evolved as a major contributor in world's cotton sector. Indian is the world's third-largest producer of cotton and second-largest producer of cotton yarns and textiles.
- India is the largest exporter of yarn in the international market and has a share of 25% in world cotton yarn export market.
- India contributes for 12% of the world's production of textile fibers and yarn.
- Indian textile industry is second largest after China, in terms of spindle age, and has share of 23% of the world's spindle capacity.
- India has around 6% of global rotor capacity.
- The country has the highest loom capacity, including handlooms, and has share of 61% in world loomage.
- Including textiles and garments, 30% of India's export comes from this sector.
- Indian Textile Industry is one of the largest industry that provides high exports and foreign revenue.

- Large and potential domestic & international market, large pool of skilled and cheap labor, well-established industry, promising export potential etc. are few strengths of Indian Textile Industry.

Highly Fragmented, High dependence on cotton sector, Lower productivity, Unfavorable Labor Laws is few drawbacks of the industry from which it has to overcome.

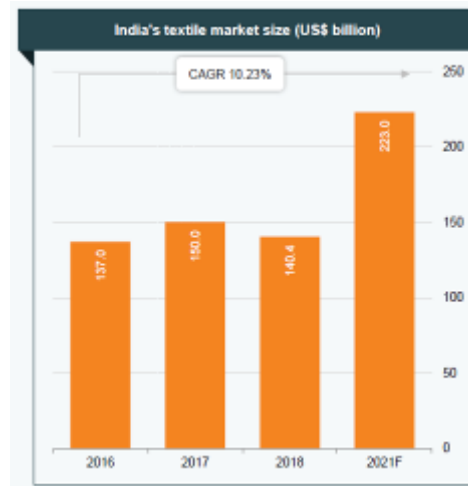
2.7.2 COTTON - RAW MATERIAL

- India is the world's largest producer of cotton and cotton is one of the country's most important crops.
- India has been producing cotton for textiles for thousands of years, and today, some 5.8 million farmers make a living from growing cotton with tens of millions of people working in the cotton industry.
- Better Cotton is grown in Gujarat, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Telangana, and from the 2020-21 cotton seasons, in the region of Karnataka, too.
- Cotton is sown from May to July and harvested from October to January, depending on the local conditions.
- The Cotton Association of India (CAI) has estimated cotton output at 360.13 lakh bales for the crop year (October-September) 2021-22, due to expectation of better yield. The total cotton production in the last season is estimated at 353 lakh bales, which is 7.13 lakh bales less than the current season.
- The total estimated cotton supply till end of the 2021-22 season, that is up to September 30, 2022, was at 445.13 lakh bales, which consists of the opening stock of 75 lakh bales at the beginning of the season, crop for the season estimated at 360.13 lakh bales and imports for estimated at the same level as in the last year at 10 lakh bales. Domestic consumption for the 2021-22 crop years is estimated at the same level as in the last year that is 335 lakh bales. The exports of cotton season 2021-22 estimated by the CAI are 48 lakh bales against 78 lakh bales estimated for 2020-21.
- Domestic cotton prices have soared to a record high of Rs. 63,000 per candy (356 kg) as the global market has surged on low production, rising demand and supply constraints. On the Intercontinental Exchange (ICE), New York, cotton prices have gained a tad over 50% year-on-year rising to 108.67 cents a pound (Rs. 66,025 a candy). Currently, raw cotton prices in various markets across the country are ruling above Rs. 7,000 a quintal against the MSP of Rs. 5,726 fixed for this year. Prices much above MSP means the CCI will not need to do any market intervention this year
- With the quality of the cotton crop reported to be good Indian cotton prices will be near international rates. It is expected that fresh arrivals will flood markets during December-January pushing down prices however prices are likely to rule around Rs. 50,000-Rs. 51,000 a candy.
- In the decade ahead till 2030, India (25%), China (22%), USA (15%) and Brazil (10%) in that order will continue to dominate the global cotton production which is expected to reach 28.4 million tonnes, while five Asian countries - China, India, Pakistan, Bangladesh and Vietnam — will account for 75% of the total mill consumption (28.3 mt) during the period, the latest OECD-FAO report on Agriculture Outlook 2021-2030 has forecast.

World cotton export is expected to expand by a quarter to surpass the 11 mt mark by the end of this decade, by which time sub-Saharan Africa with a share of 15% is set to occupy the third position after USA and Brazil, edging India down to the fourth position. Bangladesh, Vietnam, China, Turkey and Indonesia will continue to be major importers of the fiber.

2.7.3 INDIA'S TEXTILE MARKET SIZE

The sector has been posting strong growth over the years and the market size is:



Note: F -Forecasted Source: Make in India, News Articles, Ministry of Textiles

- The size of India's textile market is expected to touch US\$ 223 billion by 2021, growing at a CAGR of 10.23% over 2016.
- Indian apparel market is expected to reach US\$ 85 billion by 2021.
- The new textile policy aims to create an additional 35 million jobs. By 2022, the Indian textile sector will require additional 17 million workforce
- In April 2021, Union Minister Smriti Irani has assured strong support from the Textile Ministry to reduce the industry's dependence on imported machine tools by partnering with engineering organisations for machinery production.
- She also stated that the PLI scheme for the textile industry is almost ready. The scheme aims to develop Man Made Fibre (MMF) apparel and technical textiles industry by providing incentive from 3% to 15% on stipulated incremental turnover for five years.

2.7.4 ADVANTAGE INDIA

- Competitive Advantage:
 - ✓ Abundant availability of raw materials such as cotton, wool, silk and jute.
 - ✓ India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.
- Policy Support:
 - ✓ 100% FDI (automatic route) is allowed in the Indian textile sector.
 - ✓ Under Union Budget 2022-23, the total allocation for the textile sector was Rs. 12,382 crore (US\$ 1.62 billion). Out of this, Rs.133.83 crore (US\$ 17.5 million) is for Textile Cluster Development Scheme, Rs. 100 crore (US\$ 13.07 million) for National Technical Textiles Mission, and Rs. 15 crore (US\$ 1.96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the Production Linked Incentive Scheme.
 - ✓ In October 2021, the government approved a PLI scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.
- Increasing Investments:
 - ✓ In order to attract private equity (PE) and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFs) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.
 - ✓ Total FDI inflows in the textiles sector between April 2000 and December 2021 stood at US\$ 3.93 billion.
- Robust Demand:

- ✓ The Indian technical textiles market is expected to expand to US\$ 23.3 billion by 2027, driven by increased awareness of goods and higher disposable incomes.
- ✓ Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.
- ✓ Exports of cotton yarns/fabs./madeups/handloom products stood at US\$ 8.6 billion between April 2021 and October 2021.

2.7.5 NOTABLE TRENDS IN THE TEXTILES SECTOR

- Textile Parks:
 - ✓ Since 2014, 59 textile park projects have been sanctioned under SITP and PPP with 40% Government assistance of up to Rs. 40 crore (US\$ 6 million). 22 textile parks out of these have been operational as of December 2019.
 - ✓ Under Union Budget 2021-22, Finance Minister Nirmala Sitharaman launched a 'Mega Integrated Textile Region and Apparel (MITRA) Park' scheme to establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period.
 - ✓ Under Union Budget 2021-22, the Telangana government has been allocated funds for setting up the Kakatiya Mega Textile Park (KMTP) at an estimated cost of Rs.1,552 crore (US\$ 212 million).
 - ✓ In March 2021, the Gujarat government announced to set up two mega textile parks to enable forward and backward integration in the sector. In the same month, the state-run Odisha Industrial Infrastructure Development Corporation (IDCO) and Indian Oil Corporation Limited (IOCL) signed an MoU to establish a plastic park in Paradip, Odisha.
- Incubation in apparel manufacturing:
 - ✓ The objective here has been to promote entrepreneurs in apparel manufacturing by providing them an integrated work space and reducing operational and financial cost for establishing and growing a new business.
 - ✓ As of July 2019, three projects were sanctioned by the Government, one each in Madhya Pradesh, Odisha and Haryana.
- Technical textiles:
 - ✓ Increased awareness of goods, higher disposable incomes, changing customer patterns and some sector-specific growth drivers are estimated to bolster the Indian technical textiles market to US\$ 23.3 billion in 2027, up from US\$ 14 billion in 2020 in Asia-Pacific.
 - ✓ The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027.
- Public Private Partnership (PPP):
 - ✓ The Ministry of Textiles commenced an initiative to establish institutes under PPP to encourage private sector participation in the development of the industry.

2.7.6 TEXTILE SEZs IN INDIA

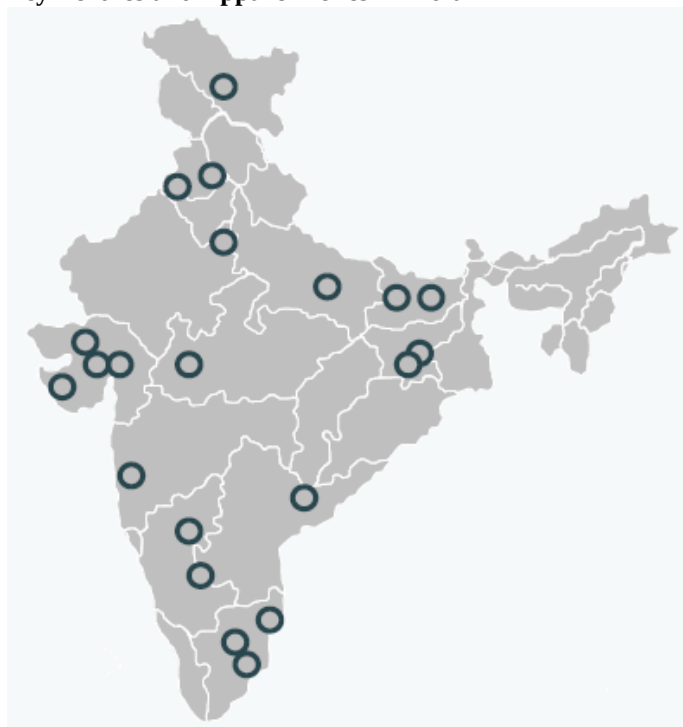
- As of September 30, 2020, India had seven exporting SEZs for textiles, apparel and wool.

Name of SEZ and status	State	Area (hectares)	Sector	Details
Mahindra City SEZ (Functional)	Tamil Nadu	607.1	Apparel and fashion accessories	Mahindra City is India's first integrated business city, divided into business and lifestyle zones. It is a cluster of 3 sector specific SEZs in Tamilnadu, for apparels and fashion accessories; IT and hardware; and auto ancillary. The business zone provides plug-n-play working spaces. This zone comprises a SEZ (primarily for exporters) and Domestic Tariff Area (DTA) for companies targeting domestic market.
Surat Apparel Park (Functional)	Gujarat	56.0	Textiles	Key industrial units include Safari Exports, Venus Garments, Benchmark Clothing's, P.K.

Name of SEZ and status	State	Area (hectares)	Sector	Details
				International, Tormal Prints, J.R. Fashion and Ganga Export.
Brandix India Apparel City (BIAC) (Functional)	Andhra Pradesh	404.7	Textiles	BIAC is an integrated apparel supply chain city, managed by Brandix Lanka Ltd. It aims to be a end-to-end apparel solution provider.
(KIADB) (Functional)	Karnataka	16,129.0	Several sectors	Karnataka Industrial Areas Development Board (KIADB) is a wholly owned infrastructure agency of Government of Karnataka. Till date, KIADB has formed 132 industrial areas spread all over the state.

Note: SEZ -Special Economic Zone, Source: SEZ India, invest.com

Key Textiles and Apparel Zones in India



Major textile and apparel zones

North: Kashmir, Ludhiana and Panipat account for 80% of woollens in India

South: **Tirupur**, Coimbatore and Madurai for hosiery. Bengaluru, Mysore and Chennai for silk

East: Bihar for jute, parts of Uttar Pradesh for woollen and Bengal for cotton and jute industry

West: Ahmedabad, Mumbai, Surat, Rajkot, Indore and Vadodara are the key places for cotton industry
Source: Sutherland Research

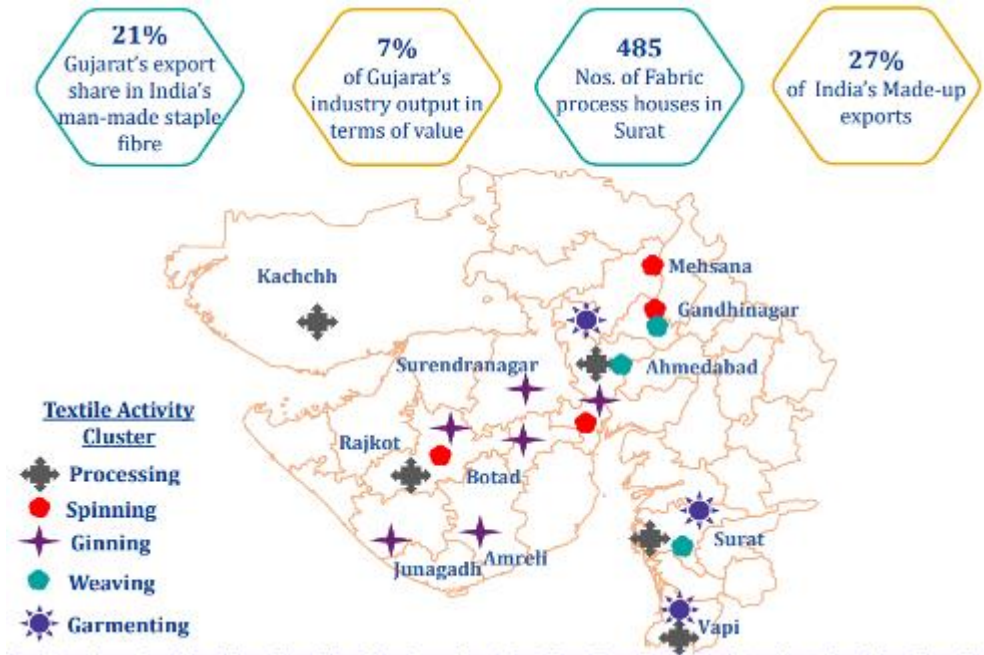
2.8 GUJARAT TEXTILE MARKET

The textile industry of the city of Ahmedabad in the state of Gujarat in India dates back to the 19th century, when the city and the industry were established under the

British raj. Textile mills employed thousands of people from across the state, and the cotton garments manufactured were exported around the world. The prosperity of the industry was the mainstay of the city's economy. It is called the "Manchester of India". Thus, the Ahmedabad is officially famous for cotton textile works.

The Arvind Mills is a company that processes denim for jeans worldwide, it is located near the Sabarmati river; as such the water required for the textile industry is easily available. The black soil found abundantly in Gujarat is best suited for the cultivation of cotton which is mostly required for the industry and black soil is found in Maharashtra also.

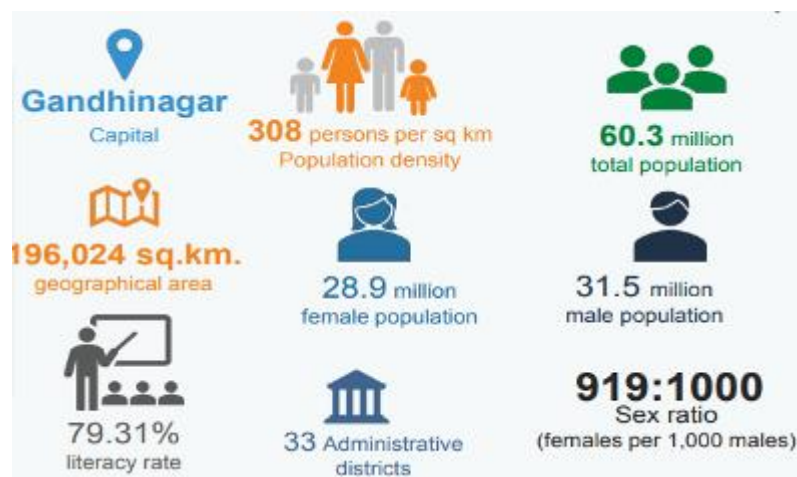
2.8.1 GUJARAT TEXTILE INDUSTRY MAP



Source: Cotton Association of India, Industries

Commissionerate, GOG

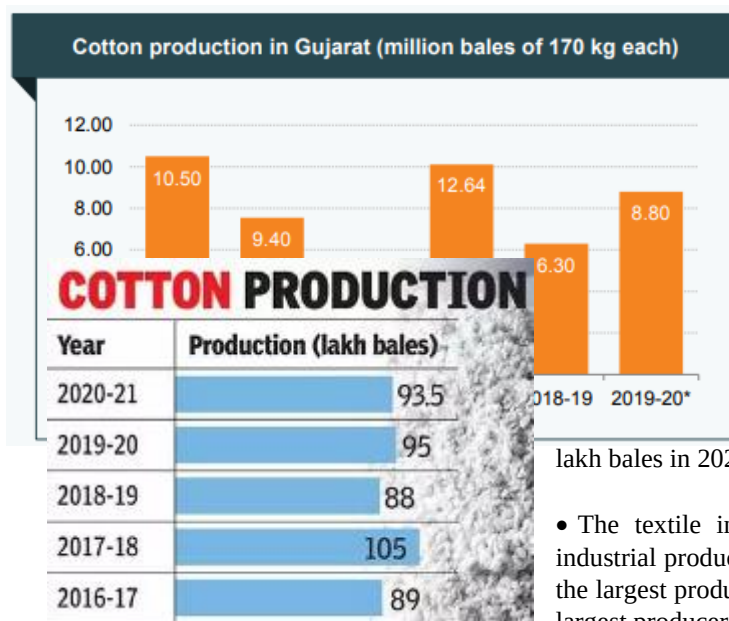
2.8.2 GUJARAT FACTS



- There are seven agro-climatic zones in the state that support cultivation of a wide range of crops.
- The most spoken language of the state is Gujarati. Hindi and English are the other Indian languages used.
- Gujarat is located on the western coast of India and has the longest coastline of 1,600 km in the country. The state shares its borders with Rajasthan, Madhya Pradesh, Maharashtra and the Union Territories of Daman & Diu and Dadra & Nagar Haveli. The Arabian Sea borders the state both to the west and the south-west.
- Gandhinagar, Ahmedabad, Vadodara, Surat, Rajkot, Bhavnagar and Jamnagar are some of the key cities of the state.

2.8.3 KEY SECTORS – TEXTILES AND APPAREL

As per the Government of Gujarat's survey report, technical textiles is a key emerging area, with over 860 units in Gujarat.



Cotton production in Gujarat is likely to grown by 10-12% in the new cotton season beginning October. Despite lower acreage. The output is expected to increase in 2021-22 due to the improved yield following recent spell of rain and favourable climatic condition.

Based on the cotton production, the textile spinning mills have comes up with better production and output. According to Cotton Association of India (CAI), the state's total crop output had stood at 93.50 lakh bales. With yield expected to improve to be 105

lakh bales in 2022-23.

- The textile industry contributes around 6% to the total industrial production in the state (organised sector). Gujarat is the largest producer of denim in India (65-70%) and the third-largest producer in the world.
- Surat is the largest manufacturing centre of silk fabric and produces over 40% of silk in the country. About 24-28% of fixed investment, production value and employment of SSI is from the textiles sector. Gujarat has extended full support to entrepreneurs who want to invest in the technical textile market in the state

COUNTRY-WISE PRODUCTION AND CONSUMPTION OF COTTON

(Qty in Million Metric Tonnes)

Country	2012-13		2013-14		2014-15		2015-16		2016-17	
	Production	Consumption	Production	Consumption	Production	Consumption	Production	Consumption	Production	Consumption
China (Mainland)	7.30	8.29	6.95	7.60	6.60	7.66	5.20	7.60	4.90	8.00
India	6.29	4.82	6.77	5.09	6.56	5.26	5.65	5.36	5.87	5.28
USA	3.77	0.76	2.81	0.77	3.55	0.78	2.81	0.75	3.74	0.77
Pakistan	2.00	2.22	2.07	2.47	2.31	2.49	1.54	2.15	1.66	2.15
Brazil	1.31	0.91	1.73	0.86	1.56	0.80	1.29	0.66	1.53	0.72
Uzbekistan	1.00	0.33	0.91	0.35	0.89	0.34	0.83	0.36	0.79	0.46
Vietnam	0.00	0.49	0.00	0.67	0.00	0.88	0.00	1.00	0.00	1.17
Bangladesh	0.02	1.02	0.03	1.15	0.03	1.20	0.03	1.32	0.03	1.41
Others	5.08	4.97	4.90	5.16	4.73	5.32	4.13	4.94	4.55	4.58
World Total	26.77	23.81	26.17	24.12	26.23	24.73	21.48	24.14	23.07	24.54

Country	2017-18		2018-19		2019-20		2020-21		2021-22	
	Producti on	Consumpti on	Producti on	Consumpti on	Producti on	Consumpti on	Producti on	Consumpti on	Producti on	Consumpti on
China (Main Land)	5.89	8.50	6.04	8.25	5.80	7.23	5.91	8.40	5.73	8.32
India	6.29	5.43	5.66	5.29	6.21	4.58	6.00	5.70	5.36	5.54
USA	4.56	0.77	4.00	0.63	4.34	0.47	3.18	0.52	3.81	0.56
Pakistan	1.80	2.35	1.67	2.36	1.46	2.34	0.96	2.15	1.27	2.45
Brazil	2.01	0.68	2.78	0.73	3.00	0.57	2.36	0.69	2.82	0.70
Uzbekistan	0.80	0.46	0.64	0.63	0.53	0.72	1.03	0.80	0.94	0.84
Vietnam	0.00	1.51	0.00	1.51	0.00	1.45	0.00	1.52	0.00	1.68
Bangladesh	0.03	1.66	0.04	1.58	0.04	1.50	0.04	1.64	0.04	1.73
Others	5.30	4.99	5.14	5.01	4.90	4.19	4.91	4.25	5.91	4.35
World Total	26.68	26.34	25.97	25.98	26.27	23.05	24.38	25.66	25.89	26.16

Source: World: ICAC Journal 'Cotton This Month' – June 1, 2022, India: COCPC Meeting dated 23.05.2022

- In the pre-covid scenario, the production and consumption of cotton were more or less equal in ration. In the years 2021–22, however, the consumption increased slightly.
- Compared to other countries, Following China, India became the world's second largest producer and consumer of cotton.
- In State Budget 2021-22, a provision of Rs. 1,500 crore (US\$ 207.19 million) has been made for providing subsidy to industries covered under the textiles policy. The government also plans to establish two mega textile parks in the state.

2.8.4 KEY PLAYERS IN GUJARAT

Top key players from Gujarat Textile sector as follows:



Arvind Ltd

One of the largest producers of denim in the world and largest producer in Asia. Product line includes fabrics (denims, shirtings, khakis and knitwear) and garments. Asia's first fabric-manufacturing unit to receive an ISO14001 certification.



Ashima Group

100% cotton-fabric manufacturers and a vertically integrated group. It has its registered office at Ahmedabad. Exports fabric to over 45 countries, markets to over 150 Indian garment exporters.



Digjam Ltd

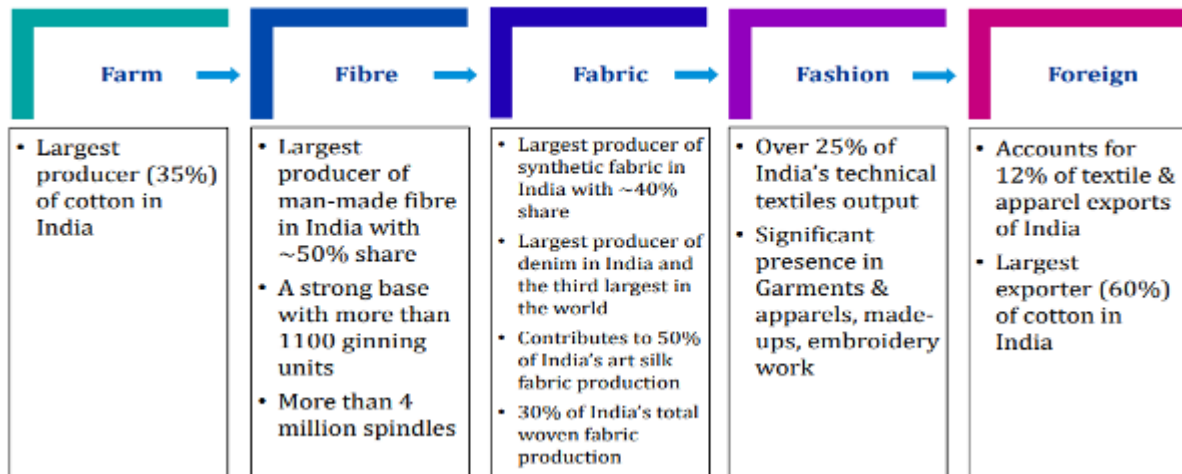
Part of the S.K. Birla Group, the company was established in Jamnagar, Gujarat in 1948. The company manufactures fabrics for suiting and casual wear. It has restructured its business portfolios to focus on textile manufacturing and marketing of fabrics and ready-to-wear clothing under its own brands.



Raymond Ltd

With over 60% market share in India, Raymond is one of the largest integrated manufacturers of worsted fabric in the world. The group is into textiles, engineering and aviation. Raymond Apparel Limited is a 100% subsidiary of Raymond Limited. The plant at Vapi in Gujarat has a production capacity of 14 million metres per annum.

2.8.5 GUJARAT STRONG PRESENCE ACROSS THE VALUE CHAIN



Source: Industries Commissionerate, GoG, Annual Survey of Industries, Gujarat Socio-Economic Review

2.8.6 GUJARAT TEXTILE BREAK-UP

- Farm:
 - ✓ 37% of India's cotton produces
 - ✓ 60% of India's Cotton export
- Fibre
 - ✓ ~50% of India's MMF Production
 - ✓ ~4.5 million of spindles established in the state
- Fabric
 - ✓ 30% of India's woven fabric production
 - ✓ 65% of India's denim produces
- Fashion & Foreign
 - ✓ 25% of India's Technical textile output
 - ✓ 30% of India's export in cotton fabrics & made-ups

2.8.7 TEXTILE INFRASTRUCTURE OFFERED BY GUJARAT

The Textile infra developed by Gujarat state for Small & Medium scale Entrepreneur's as follows:



Source: Industries Commissionerate, GoG,

Note: *NTC – National Textile Corporation, ATIRA – Ahmedabad Textile Industry Research Association, MANTRA – Manmade Textile Research Association, NIFT – National Institute of Fashion Technology, NID – National Institute of Design

2.8.8 COMPETITORS PROPOSED LAND DETAILS IN TEXTILE PARK, GUJARAT

The Proposed land area details expressed by textile parks as follows:

S. No:	Name of Park	Location of the Park	Proposed Land (Acres)	No. of Units		Project Cost (Rs. Cr)
				Total	Allotted	
1.	Aashirwad Textile Park	Vi.-Mahuvej, Ta.- Mangrol, Dist.- Surat	13.07	40	0	7.7
2.	Anjani Textile Park	Vi.-Pariya, Ta.-Olpad, Dist.- Surat	48.21	61	0	42.49
3.	Dholaka Textile Park Pvt. Ltd.	Vi.-kharanti, Ta.- Dholka, Dist.- Ahmedabad	77.4	20	0	122.84
4.	Dholi Integrated Spinning Park Ltd.	Vi.-Dholi, Ta.- Dholka, Dist.- Ahmedabad	267.26	17	17	95.54
5.	Jayaraj Textile Park	Vi.-Mahuvej, Ta.- Mangrol, Dist.- Surat	14.96	20	17	19.05
6.	Karanj Textile Park Pvt. Ltd.	Vi.-Molván, Ta.- Mangrol, Dist.- Surat	46.82	42	42	31.51
7.	Mahek Textile Infra Park	Vi.-Pariya, Ta.-Olpad, Dist.- Surat	14.27	21	21	13.1
8.	Palsana Textile Park Pvt. Ltd.	Vi.-Vadadala and Baleshwar, Ta.-Palsana, Dist.-Surat	31.53	50	50	32.68
9.	Platinum Textile Park (Ekta Enterprise)	Vi.-Tadkeshwar, Ta.-Palsana Dist.-Surat	7.61	147	94	14.17
10.	Rajhans (FILA) Infracon (India) Pvt. Ltd.	Vi.- Lindiad, Ta.-Mangrol, Dist.-Surat	103.14	270	170	77.73
11.	Rajhans (TEXPA) Infracon (India) Pvt Ltd.	Vi.- Baleshwar, Ta.-Palsana, Dist.-Surat	79.23	205	0	69.2
12.	Satyam Textile Park	Vi.-Hathoda, Ta.- Mangrol, Dist.-Surat	47.96	129	70	51.21
13.	Shahlon Textile Park Pvt. Ltd.	Vi.-Kothva, Ta.- Mangrol, Dist.-Surat	26.23	42	25	32.82
14.	Shanti Integrated Textile Park Pvt. Ltd.	Vi.-Navi Pardi, Ta.-Kamrej, Dist.- Surat	48.15	22	0	78.34
15.	Shivdhara Textile Park	Vi.-Rasnal, Ta.-Gadhada, Dist.- Botad	25.69	82	0	31.23
16.	The Surat Vankar Sahakari Sangh Ltd.	Vi.-Dinod, Ta.-Mangrol, Dist.-Surat	15.35	20	2	24.71
17.	Vikas Texo Park	Vi.-Hathoda, Ta.- Mangrol, Dist.-Surat	29.01	190	103	29.02
18.	Yes Green Tex Infra Pvt Ltd	Vi.-Tadkeshwar, Ta.- Mandvi, Dist.-Surat	32.53	20	0	37.85
			928	1,398	611	811

Source: Cotton Association of India, GOG

Based on the above table, it is observed that proposed land for developing textile mills is expressed by competitors in Gujarat state. In the future, the expansion of mills will be based on the consumption of people in domestic and export market cities.

3.0 MARKET ASPECTS OF GARMENTS/ APPAREL INDUSTRY

3.1 INTRODUCTION

The apparel market consists of sales of apparel by entities (organizations, sole traders and partnerships) that manufacture apparel. Apparel refers to clothing or garments in general. Apparel manufacturers cut and sew (i.e., purchase fabric and cut and sew to make a garment) and/or produce garments by first knitting fabric and then cutting and sewing the fabric into a garment.

The apparel industry includes companies manufacturing full lines of ready-to-wear apparel and custom apparel; apparel contractors, performing cutting or sewing operations on materials owned by others; jobbers, performing entrepreneurial functions involved in apparel manufacturing; tailors, manufacturing custom garments for individual clients; and entities that combine knitting with the production of complete garments, but excluding producers of knitting fabric not combined with the produce of complete garments. Companies in the apparel industry produce garments such as shirts, T-shirts, jackets, socks, uniforms, caps, hats, neckties and belts. Apparels are made of cotton, linen, polyester and other textiles.

The apparel industries contribute significantly towards the national economy of many countries. Although the apparel industry is global in nature, the manufacturing facilities from developed countries are shifting to developing countries to reduce the labour cost. Even in these developing countries, the garment industries are facing the greatest challenges in spite of the cheap labour cost, due to the short production life-cycle, high volatility, low predictability, high level of impulse purchase and the quick market response. To reduce the cost of production, the garment industries in developing countries are rather focusing on sourcing of cheaper raw materials and minimizing delivery cost than labour productivity due to the availability of cheap labour.

The apparel industry is one of the most booming industries. With Indian apparel being among the world's largest producers, the country is also the 5th largest exporter of apparel and textile across the globe. The apparel industry contributes 5 percent to the country's GDP from the domestic sector; whereas 7 percent is contributed from the industrial output in value terms and the export earnings of the country acquire a contribution of 12 percent from the apparel industry. Apparel industries are one of the fastest-growing industries, providing employment to millions.

3.2 GLOBAL APPAREL BUSINESS IN MARKETS

The global apparel market is predicted to grow at a healthy rate in the coming years. The apparel and fashion industry encompasses a wide variety of garments and uses almost all the textile manufactured. Broadly, the industry is divided into - clothing for men and boys, clothing for women and girls, and clothing for children.

The global apparel consumption market has arrived at using a bottom-up approach to estimate and validate the market size and related sub-markets. Growth of the global apparel market is expected to remain moderately strong, owing to increasing disposable income in middle-class people globally to shorten the fashion cycles.

During the forecast period 2020 and 2025, the market is estimated to grow at 4.8 percent to reach \$ 2,006.4 billion, driven by strong growth in the Asia-Pacific market. The other significant factors driving the growth of the global apparel market are - growing population, rapid urbanization, and shift in the global economic power base.

3.3 GLOBAL KEY COMPETITORS

Christian Dior:

Christian Dior is currently the number 1 on the list of top 10 largest apparel companies in the world. Also known as brand name Dior, it engages in the design and sale of apparel, fashion and beauty products. The company operates through several major business groups including Christian Dior Couture, Wines & Spirits, Fashion & Leather Goods, Perfumes & Cosmetics, and Watches & Jewelry. Some of its luxurious products including apparel and fashion accessories, leather handbags, shoes, wines and spirits, fragrances and cosmetic products, watches and jewellery. The company was founded by Christian Dior in 1946 and is headquartered in Paris, France.

Nike:

Nike was ranked as the world's second largest apparel companies with its \$46.820 billion sales in 2022. It is currently the world largest sportswear company manufacturing and selling some of the world's best sports clothing and footwear's. Its athletic footwear products are designed primarily for specific athletic use, although a large percentage of the products are worn for casual or leisure purposes. The company was founded by William Jay Bowerman and Philip H. Knight in 1964 and is headquartered in Beaverton, OR.

Inditex:

Inditex is one of the world's largest apparel companies and fashion retailers. Its business includes retail distribution of clothing, footwear, accessories and household textile products under eight brands (Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe). Inditex sells its products in 202 markets through its online platform or its over 7,000 stores in 96 markets. The company was founded by Amancio Ortega Gaona in 1963 and is headquartered in A Coruna, Spain.

Adidas:

Adidas is another one of the world's largest apparel companies specialized in design, distribution and marketing of athletic and sportswear products. It operates two brands, adidas and Reebok. The Wholesale segment offers all business activities relating to the distribution of adidas and Reebok products to retail customers. The Retail segment comprises all business activities relating to the sale of adidas and Reebok products directly to end consumers through own retail and own e-commerce platforms. In 2019, Adidas generated a total \$24.721 billion sale.

H&M:

H&M, short for Hennes & Mauritz, is one of the world's largest fashion retailers in clothing, accessories, footwear, cosmetics, and home textiles sectors. Its products include accessories, underwear, cosmetics, sportswear, and other apparels for men, women, and kids. It offers its brand through COS, Weekday, Cheap Monday, Monki, and H&M Home. The company was founded in 1947 and is headquartered in Stockholm, Sweden.

Fast Retailing:

Fast Retailing Co., Ltd. is the largest fashion and apparel company in Japan founded in 1963. It designs, manufactures, and retails its own line of apparel under its major brands such as UNIQLO, GU, PLST, Theory, Helmut Lang, Comptoir des Cotonniers etc. The Company offers casual clothing such as men's, women's, children's, and babies' clothing, as well as other goods in domestic market and overseas markets.

Gap:

Gap, Inc. is a world's leading fashion and Apparel Company. It offers apparel, accessories, and personal care products for men, women and children. The company operates through several main brands including Gap Global, Old Navy Global, Banana Republic Global, Athleta, and Intermix. Gap was founded in 1969 and is headquartered in San Francisco, CA.

Kering:

Kering SA is another world's leading luxury fashion company that designs, manufactures, and markets apparel and other fashion products. The company operates its apparel and fashion business through several world's most famous luxury brands including Gucci, Bottega Veneta, Saint Laurent, Alexander McQueen, Balenciaga, Brioni, Christopher Kane, McQ, Stella McCartney, Tomas Maier, Sergio Rossi, Boucheron, Dodo, Girard-Perregaux, JeanRichard, Pomellato, Qeelin, and Ulysse Nardin. It also owns several sports and lifestyle brands including Puma, Volcom, Cobra, Electric, and Tretorn.

Nordstrom:

Nordstrom, Inc. was ranked as one of the world's top 10 largest apparel companies by sales. It is an American luxury department store that engages in the manufacture and trade of clothes, shoes, and accessories. Founded in 1901 in Seattle, WA, it originated as a shoe store, and evolved into a full-line retailer with departments for clothing, footwear, handbags, jewelry, accessories, cosmetics, and fragrances.

VF:

VF Corp. designs, produces, and distributes lifestyle and sports apparel, footwear and other fashion products. Its main business segments include Outdoor & Action Sports, Jeanswear, Image wear and Sportswear. Some of the world's renowned sportswear apparel brands owned by VF include Vans, Timberland, The North Face, East pack, Icebreaker, Kipling, Altra etc. In 2019, its global sales reached \$11.85 billion, making it one of the top 10 largest apparel companies in the world.

3.4 FUTURE TRENDS OF THE GLOBAL APPAREL INDUSTRY

As the global fashion industry become increasingly competitive and challenging, some of the major trends that have been witnessed in the global apparel industry is that more and more world's largest apparel companies have started to taken new strategies to strengthen their product portfolio and increase strategic partnerships and acquisitions.

These trends mainly include collaborating with other technology companies, adopting robotics and automation in their production process to reduce production costs and increase quality, using natural materials to produce apparel, and using 3D knitting machines to reduce manufacturing costs. Many of the world's top 10 largest apparel companies are also using digital tools to manage consumer data, engage with social media influencers, and tap into the needs of each consumer by facilitating more digital experiences online and in-stores.

Major Competitors In The Global Apparel Market Are:

- NIKE, Inc.
- Adidas AG
- PVH Corp.
- Christian Dior SE
- Hanes brands Inc.

Other Competitors In The Global Apparel Market Include:

VF Corporation	Kering S.A.	Ralph Lauren Corporation	Samsung C&T Corporation
Aditya Birla Fashion and Retail Limited	Shanshan Group Co.	United Arrows	Matsuoka Corp
Heilan Group	Youngor Group	Bosideng Corporation	Fujian Septwolves Industry Co. Ltd.
Shimamura	Uniqlo	Nishimatsuya	Me & Mom
Allen Solly	Vipshop	Louis Philippe	Peter England
Van Heusen	Fabindia	Decathlon	H&M
Zara	Primark	Mark & Spencer	Next
MoroZoni	Depo	Colin`s	Diesel
Wrangler	Rifle	Big Star	Mustang
Guess	Westland	Gloria Jeans	LPP SA
Calvin Klein	Zumiez	Converse	Brooks Brothers
Hollister	Aeropostale	American eagle Outfitters	Abercrombie & Fitch
Old Navy	GAP	Michael Kors	Coach
Tommy Hilfiger	American Eagle	Under Armour	WinCraft
Gildan Activewear	Houpa	Tee Spring, Inc.	Azadea Group
Urban Outfitters	Al Bandar Trading Co	Osman Jamjoom Group	Truworths Group

3.5 GLOBAL MARKET GROWTH

Western Europe was the largest region in the apparel market in 2021. Asia Pacific was the second largest region in the apparel market. The regions covered in the apparel market are Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East, Africa.

As per the Business research company, the global apparel market size is expected to grow from \$551.36 billion in 2021 to \$605.4 billion in 2022 at a compound annual growth rate (CAGR) of 9.8%. The apparel market is expected to grow to \$843.13 billion in 2026 at a CAGR of 8.6%.

Increasing demand for online shopping is expected to help the apparel manufacturing market grow. Manufacturers can now sell their products on a larger platform than before, which will increase their customer base geographically driving the growth of the apparel manufacturing market. In countries such as India, for instance, e-commerce portals have boosted the sales of traditional garments by giving larger exposure to producers who were confined to one geography where the weaving community was located.

3.6 GLOBAL COVID IMPACT

The expanding economic growths signal positive outlook going forward. The positivity weighs even more in the light of past two years of COVID-19 pandemic that disrupted the lives of millions of people across the world sabotaging their livelihoods, while interrupting international trade, travel, economies and consumption patterns. Fashion, being discretionary consumption, was hit even harder.

Its existence led to a continued series of lockdowns, travel restrictions, social distancing, and other COVID-appropriate behaviours in various parts of the world. The circumstances left the retail industry, and the fashion segment in particular, in complete disarray, impacting sales, profits, inventories, jobs and the entire ecosystem. Outside shopping for months forced consumers to switch to online shopping.

3.7 INDIAN APPAREL/ GARMENTS MARKET

Indian textiles and apparel have a history of fine craftsmanship and global appeal. Cotton, silk, and denim from India are highly popular abroad, and with the upsurge in Indian design talent, Indian apparel too has found success across fashion centres around the world.

India is the world's second-largest exporter of textiles and apparel with a massive raw material and manufacturing base. The textiles industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about 7% to industry output, 2% to the GDP and 15% to the country's total export earnings. The sector is one of the largest job creators in the country, employing about 45 million people directly.

The Garment Industry of India is an Rupees One trillion industry. Almost 33% of its knitwear production and about 20% of its woven-garment production, both by volume, enters export markets. Overall about 25% of the volume of its garment production goes into export markets, leaving 75% for domestic consumption.

Organized sector of the garment industry is roughly 20% of the total industry, concentrating chiefly on exports. These are usually limited Companies while the rest are proprietary or partnership Companies.

Geographically, men's garments are largely produced in western and southern India while production of ladies garments predominates in North India. Eastern section of India specializes in children garments where in fact, these took their birth.

The industry manufactures over a 100 different types of garments for men, women and children. These includes overcoats/ raincoats, suits, ensembles, jackets, dresses, skirts, trousers, shirts, blouses, inner-garments, T-shirts, jerseys/ pullovers, babies garments as well as accessories like shawls/ scarves, handkerchiefs, gloves and parts of garments.

3.8 REASON TO INVEST IN APPAREL INDUSTRY

- Investments opportunities in India in many areas are enormous. Regional Comprehensive Economic Partnership, or RCEP, is an ambitious free trade agreement (FTA) connecting countries for more business and tourism prospects. FTAs provide an entry to these manufacturing nations for the development and investment in the industry.
- GOI aims to devise possible strategy to develop a facilitating ecosystem for growth of the Textiles Engineering Industry in India under Make in India & meet 75% of domestic demand by 2026-27.
- India's textile sector is one of the largest employers in India and is now poised to become the largest exporter as well.
- Government has approved setting up of 7 Mega Integrated Textile Region and Apparel Parks with a total outlay of INR. 4,445 crore in a period of 5 years to attract cutting age technology and boost FDI and local investment in the sector.
- PM MITRA Parks will create an integrated textiles value chain from spinning, weaving, processing/dyeing and printing to garment manufacturing at 1 location thus reducing the logistics cost.
- The following government policies are favourable which provide attractive incentives to the manufacturers
 - ✓ Amended Technology Upgradation Fund Scheme (ATUFS)
 - ✓ Scheme for Integrated Textile Parks (SITP)
 - ✓ Integrated Skill Development Scheme (ISDS)
 - ✓ Technology Mission on Technical Textiles (TMTT)
 - ✓ Swarnjayanti Gram Swarozgar Yojana (SGSY)
 - ✓ Integrated Processing Development Scheme (IPDS)
 - ✓ Merchandise Exports from India Scheme (MEIS)
 - ✓ Market Development Assistance (MDA)
 - ✓ Market Access Initiative (MAI)
- An abundance of raw materials such as cotton, wool, silk, jute and manmade fibres.
- There is a comparative advantage seen in terms of skilled manpower and production cost over the majority of textile producers globally.
- India's policies are focused and promising, which give a boost to the overall textile market.

3.9 PROPOSALS FOR PM MITRA PARKS

- A total of 17 Preliminary Project Proposals have been received from various state governments for setting up PM Mega Integrated Textile Region and Apparel (PM MITRA) parks informed by Hon'ble Minister of State for Textiles Smt. Darshana Jardosh in the Lok Sabha on 23 March 2022.
- The government has approved setting up of seven PM MITRA parks in Greenfield/ Brownfield sites to develop world class infrastructure including plug and play facility with an outlay of Rs. 4,445 crore for a period of seven years up to 2027-28.
- Karnataka, Andhra Pradesh, Rajasthan, Odisha, Gujarat, Madhya Pradesh, Punjab, Telangana, Chhattisgarh, Uttar Pradesh, Bihar, Tamil Nadu and Maharashtra are the states that have sent their proposals. Madhya Pradesh has submitted proposals for four sites in the state and Karnataka has done it for two sites.
- The parameters devised for selection for PM MITRA parks are connectivity to the site (25%), existing ecosystem for textiles (25%), and availability of utilities services at site (20%), state industrial/ textile policy (20%), and environmental and social impact (10%). The scheme will focus on development of a large area which is envisaged to become a fertile ground for carrying out textile sector business activities by all the players of entire textile value chain.
- Under the Scheme for Integrated Textile Park (SITP), there are a total of 1,947 units operational across the country including 454 units in south region. The Ministry of Textiles has been implementing SITP with objective to provide financial assistance to group of entrepreneurs to establish state-of-art infrastructure facilities in a cluster for setting up their textile units.
- The government has been taking various steps to promote apparel manufacturing and export. Production Linked Incentive (PLI) scheme for textiles for man-made fibre fabrics and apparel, and technical textiles, launched in 2021-22, is expected to attract investment of Rs. 19,000 crore for manufacturing of notified product of the sector and will be able to provide employment opportunity for 7.5 lakh persons.
- PM MITRA scheme will reduce logistics cost and will improve competitiveness of Indian textile manufacturing. To further improve the cost competitiveness of Indian apparels, the Union Cabinet has approved continuation of Rebate of State and Central Taxes and Levies (RoSCTL) on exports of apparel/ garments and made-ups till 31 March 2024.

- The government is also running schemes like Amended Technology Up-gradation Scheme (ATUFS), Integrated Processing Development Scheme (IPDS), and National Technical Textile Mission (NTTM) for development of the textile sector. All the schemes are contributing towards development of the industry and increase in its exports. Export of textiles and apparel during April-January 2021-22 is valued at \$34.46 billion, an increase of 49% compared to the same period in 2020-21.

3.10 EMPLOYMENT GENERATION

Direct employment in the textiles sector is estimated at 45 million. The government is implementing various policy initiatives and schemes to increase investment and expansion of textile industry including modernization of weaving and processing sector. Better competitiveness and economies of scale will help create huge job opportunities for millions of people.

It is expected to generate one lakh direct and two lakh indirect jobs per PM MITRA Park benefiting the area and its citizenry where it is located. There is also a provision for social infrastructure which will ultimately enhance the overall income and uplift the quality of life of all textile workers engaged in the PM MITRA parks.

3.11 APPARELS TO PLAY A KEY ROLE

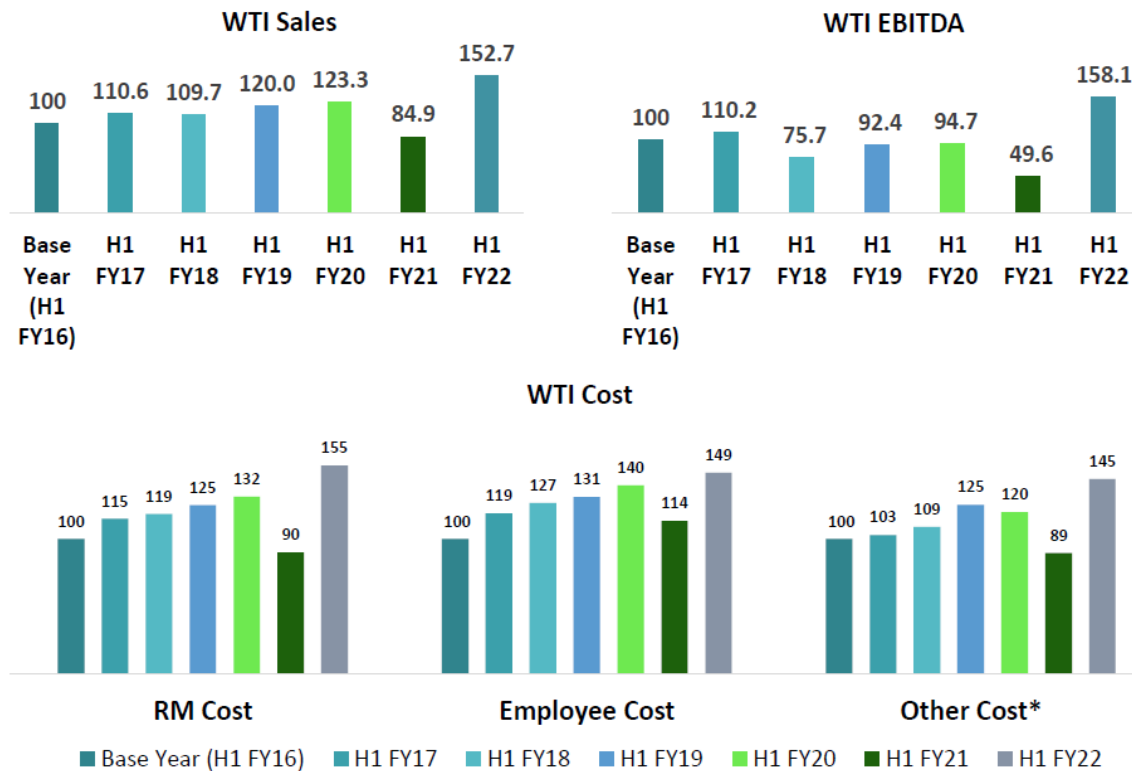
According to India Brand Equity Foundation, textiles and apparel industry in India have a history of fine craftsmanship and global appeal. Cotton, silk, and denim from India are highly popular abroad, and with the upsurge in Indian design talent, Indian apparel too has found success across fashion centres around the world.

India is the world's second-largest exporter of textiles and apparel with a massive raw material and manufacturing base. The textiles and garment industry in India is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about 7% to industry output, 2% to the GDP and 15% to the country's total export earnings. The sector is one of the largest job creators in the country, employing about 45 million people directly and 60 million people in allied industries.

Though clusters like in Delhi NCR and Tirupur are good examples, industry must consider developing the clusters with a strong R&D base, design studios and modern machines. Solid foundation needs to be established to increase the share of India's apparel sector in the global trade.

3.12 TEXTILE INDUSTRY GROWTH

The Wazir Textile Index compares the last 5 years of the textile industry's sales, EBITA, raw material cost, employee cost, and other costs as follows:



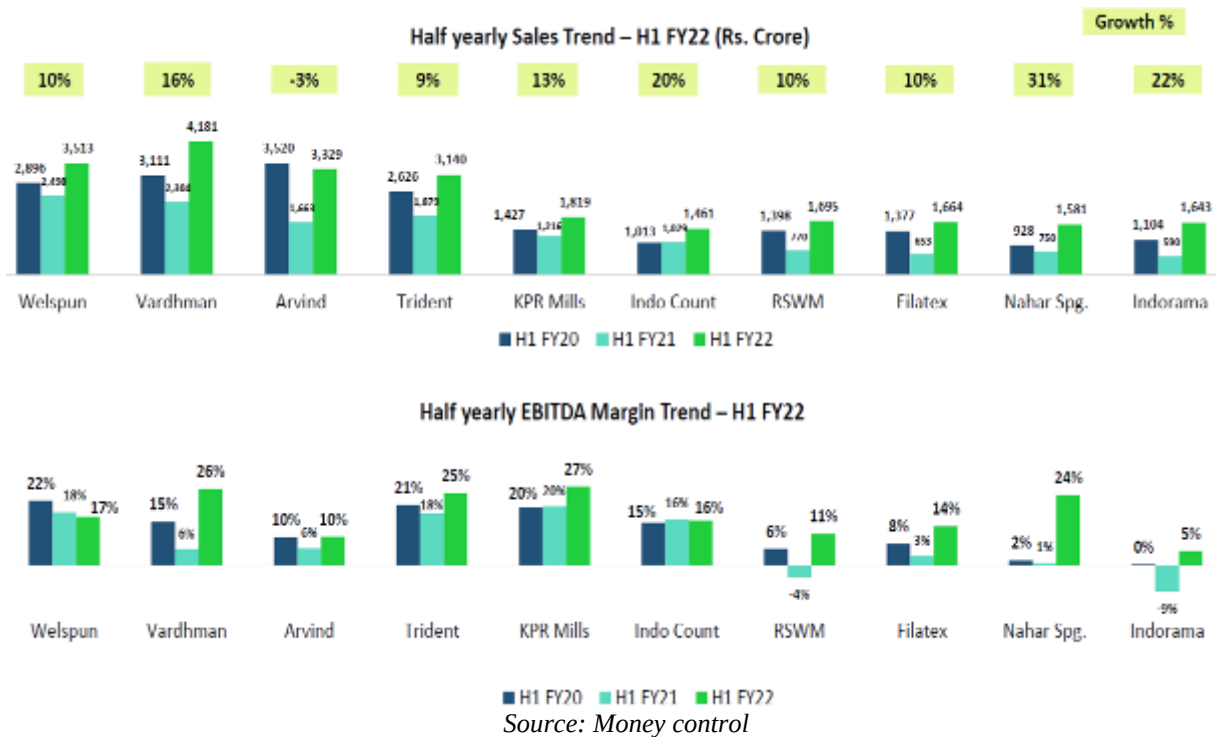
Source: Wazir Advisors H1 FY 2022

INFERENCE:

- The Textile Index has seen a phenomenal recovery in Sales and EBITDA in H1 FY22 and has grown over the pre-Covid levels of H1 FY20.
- In H1 FY22, an overall sale has seen a considerable growth of 25% when compared to H1 FY20.
- The overall EBITDA in H1 FY22 improved significantly by 67% when compared to the EBITDA seen in H1 FY20.
- Raw Material cost and manpower cost has seen a subsequent growth of 17% and 6% when compared to H1 FY20.

3.13 HALF YEARLY SALES TREND – H1 FY22

Half yearly Analysis for the Selected Top Players as follows:

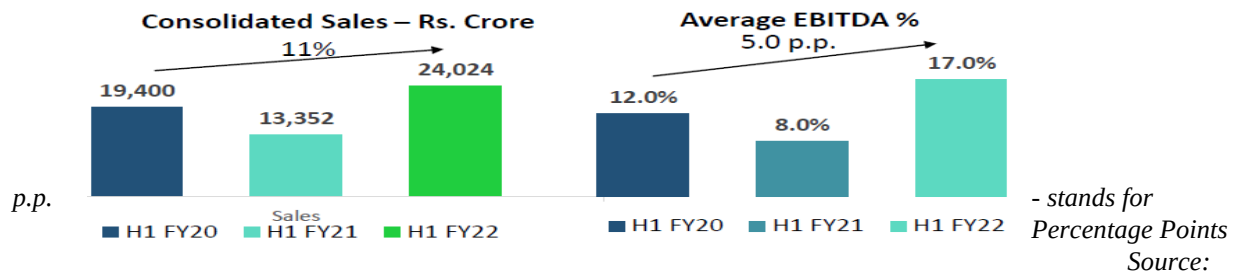


INFERENCE:

- In the year 2021-22, Nahar Spinning Ltd has achieved a higher sales ratio of 31% than competitive players in India.
- According to the annual report comparison, Arvind mills achieved considerable sales volume than the previous year, as the only industry achieved minimal volume with other competitors.
- KPR Mills, Welspun Textile, Vardhaman Textile, Trident Group achieved equal sales competition.
- Rest of the other players achieved healthy sales contributions with other competitors and raised export volume compared to last year.

3.14 CONSOLIDATED ANALYSIS

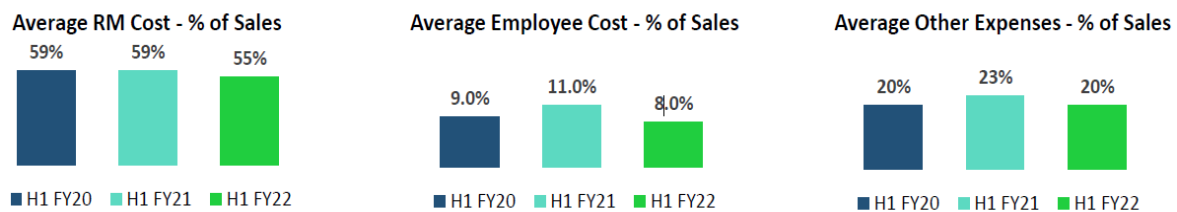
Consolidated Analysis for the Selected Top Players as follows:



Wazir Advisors H1 FY 2022

INFERENCE:

- On consolidated level, sales have grown at a CAGR of 11% in H1 FY22 since H1 FY20.
- Consolidated EBITDA margin increased by 5.0 percentage points for the selected top companies during this period.



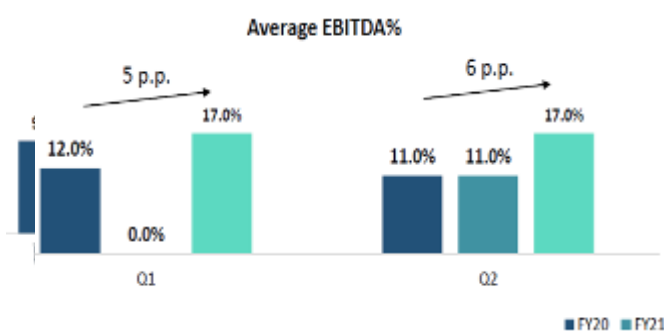
Source: Wazir Advisors H1 FY 2022

INFERENCE:

- Average RM cost decreased by 4.0 percentage points in H1 FY22 as compared to H1 FY20.
- Average employee cost decreased by 1.0 percentage points in H1 FY22 as compared to H1 FY20.
- Other expenses in H1 FY22 have stayed in the levels of H1 FY20.

3.15 CONSOLIDATED SALES FROM FY 20-FY22

Consolidated sales and EBITA of Textile Industries in the year 2020-2022 as follows:



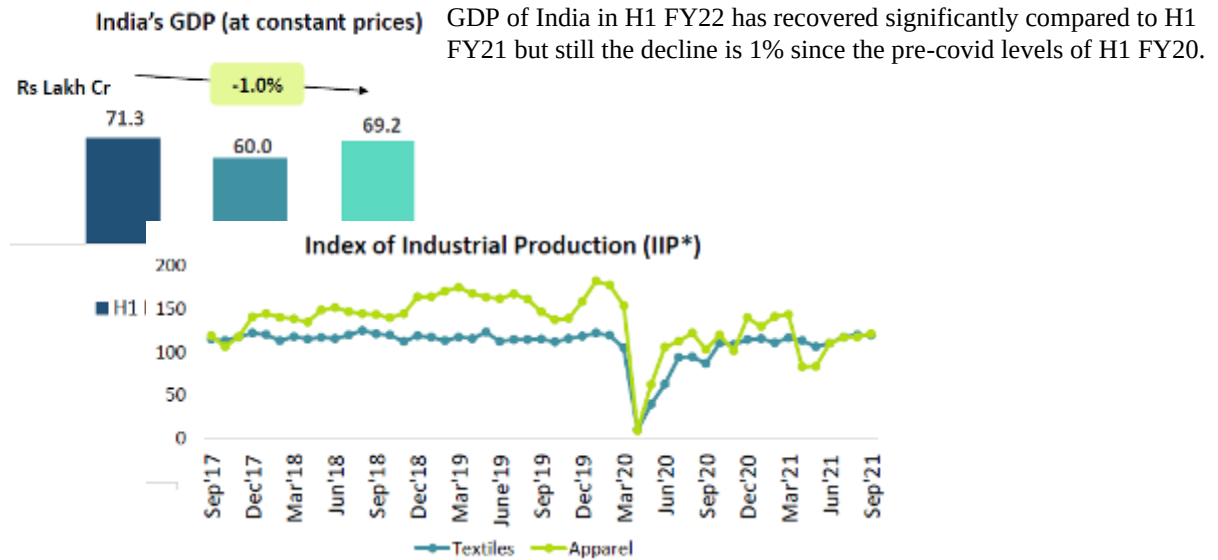
Source: Money Control

INFERENCE:

- The sales have rebounded in FY22 from the lows of FY21 and is now growing. On consolidated level, sales in Q1 & Q2 has grown at a CAGR of 5% & 17% resp. since FY20 in FY22.
- The consolidated earnings of the companies under consideration has witnessed significant recovery in FY22 when compared to the levels seen in FY21 and have grown above the levels of FY20.
- Consolidated sales increased by 23% in Q2 FY22 when compared to Q1 FY22.

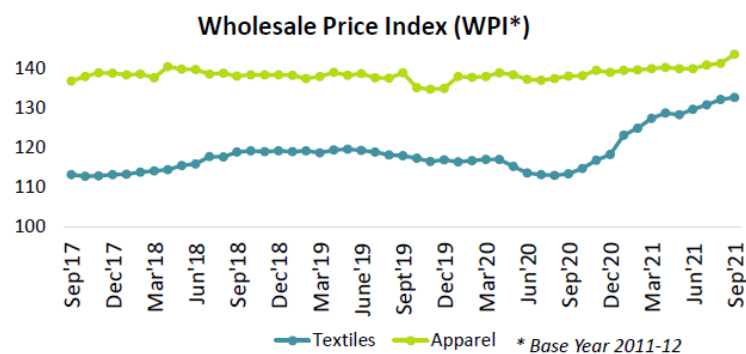
3.16 KEY ECONOMIC INDICATORS

3.16.1 GDP STABILITY IN INDIA



Source: Reserve Bank of India, Economic Advisor, Govt. of India

- Average IIP for textiles in H1 FY22 has recovered to the precovid levels while the IIP for Apparels has recovered by 66% in H1 FY22 when compared to the same period of H1 FY20.



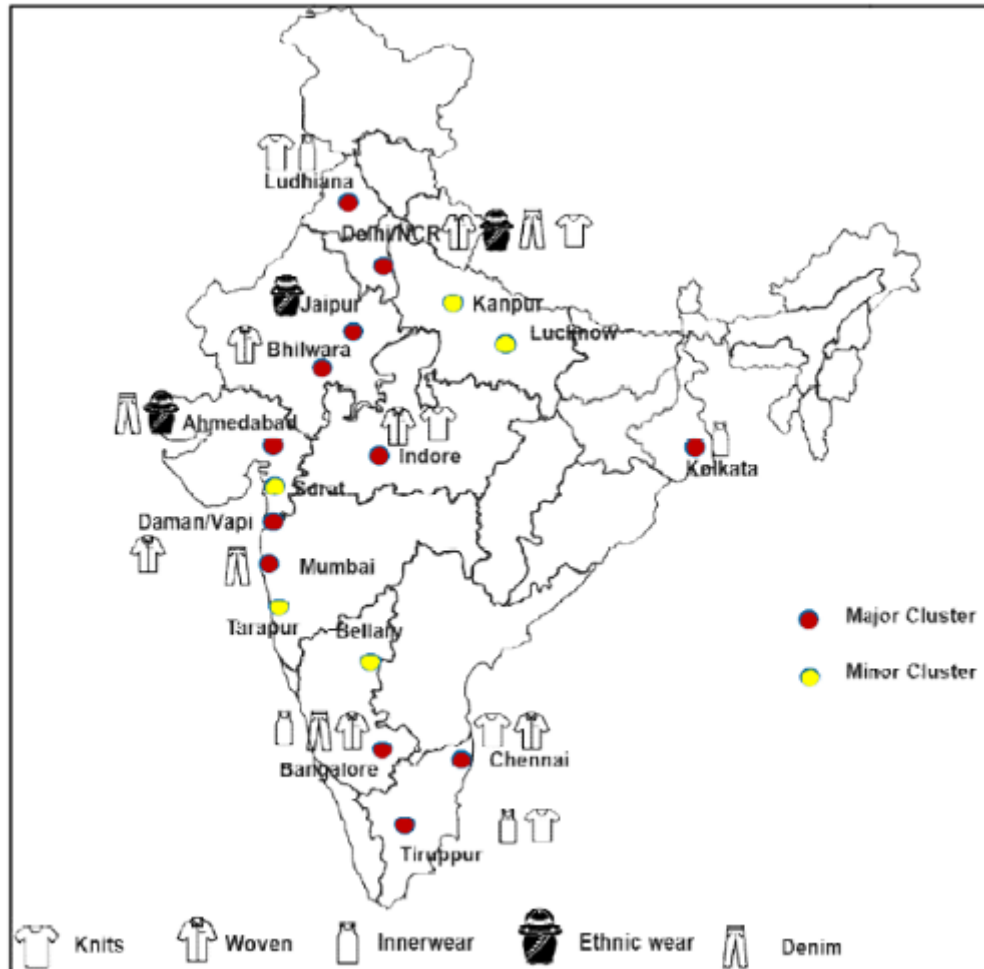
- Average WPI for textiles increased by 5% and apparel increased marginally by 1% each in H1 FY22 as compared to H1 FY20.

3.17 GUJARAT APPAREL MARKET

The textile Industry has always played a pivotal role in the industrial and economic growth of our state of Gujarat. The Garment sector of this industry, which has witnessed an accelerated growth over last few years, is still having tremendous potential for growth in today's era.

3.18 GARMENT MANUFACTURING CLUSTERS IN INDIA

The Indian garment manufacturing industry is 60-70% unorganized which is characterized by MSME units operating in specific clusters across the country. The organized part of the industry is dominated by export oriented garment manufacturing units.



According to the State of Gujarat cluster, the manufacturing of denim, woven and ethnic wear captured the major production share in the existing garment industries operated in Ahmedabad, Surat, Daman/ Vapi, Gujarat.

3.19 TEXTILE TRADE PARTNERS IN GUJARAT

Garments export destinations from Gujarat are as follows:



Textiles from Gujarat are exported to about 20 international destinations. Major exported textile products are Medi Tech Textiles, Readymade Garments, Yarns & Denims.

3.20 TYPES OF GARMENTS IN GUJARAT

The state garment industry of Gujarat is one of the most prosperous ones in India. It provides a wide variety to the buyers. Some of the popular dress items of the industry are Salwars, Kurtas, Ghaghra, Cholis, Odhanis, Skirts and Jackets. For men, Denim, Woven wears, Shirts, etc are produced from authentic hand block-printed material, creatively embellished with appliqué pattern. Apart from this, Sarees are an all time specialty of the region.

3.21 PRESENT STATUS OF READY-MADE GARMENTS IN GUJARAT

Gujarat is the largest producer of manmade fiber & synthetic fabric in the country.

- 30% of India's woven fabric production is accounted by Gujarat.
- Ahmedabad & Surat are home to Textiles & Apparel industry of Gujarat.
- Aarve Denims & Arvind Ltd are the key players producing apparel products in Ahmedabad, Gujarat.
- Reputed research institutes like Man-made Textile Research Association (MANTRA), Ahmedabad Textile Industrial Research Association (ATIRA), National Institute of Design (NID) are present in Gujarat for facilitation of research & testing on knit & knitwear products.
- There are 28 Industrial Training Institute in the state which provides training courses on Garments
- Equipped Skill development infrastructure & raw material supplier poses a huge potential for apparel industry in Gujarat

3.22 INVESTMENT OPPORTUNITIES

The Government of Gujarat plans to invest US\$ 3.28 billion to support the textile industry by 2022 and create one million jobs in the industry. Knitting & Knitwear products having significant growth potential.

- Trousers
- Shirts
- Denims
- T-Shirts
- Nightwear

3.23 PRODUCTION AND SALES BREAK-UP OF *STITCHED TEXTILES*

The production and sales break-up of each product manufactured by Stitched Textiles in the brand name of Barcelona is as follows:

S. No	Product Name	Percentage %
1.	Fabric	60.0
2.	Denim Pant	15.0
3.	Men's Shirt	9.6
4.	Men's T-shirt	2.5
5.	Formal Pants	4.0
6.	Accessories and others	8.9
Total		100.0

Source: Stitched Textiles

Based on the break-up data given by Stitched Textiles in the form of product wise manufactured and sold in the name of Barcelona, as it captures 60% of fabric materials produced and marketed domestically, followed by denim pants, manufactured higher in ratio with the comparative of other end garments like T-shirts, shirts, trousers, other accessories, etc.,

With a contribution of 65 to 70% to India's denim production, Gujarat is the largest manufacturer of denim in the country and the third largest in the world. Think of denim and the image of Ahmedabad come up as the denim capital of India. But over the years, the country's largest man-made fabric (MMF) hub in Surat has become the second largest denim hub, grabbing 8% share of the total manufacturing capacity in the country.

3.24 PRESENCE OF PRODUCTS & BRANDS IN GUJARAT

In India, unbranded denim products dominate the market share, with around 60%. The share of brands in the denim market stands at 40%. Most of the unbranded players operate in the lower price segment of the market where awareness of the quality of fabric, finishing and washes, design and fit is relatively low.

The emergence of semi-urban clusters, areas having a smaller number of farming communities, across the country has opened a plethora of opportunities for regional brands and retailers. A typical semi-urban denim consumer exhibits characteristics of both urban and rural consumers; like an urban consumer, she/he is aware of brand and product quality; and like a rural consumer, pricing and affordability are important factors in her/his purchase decision.

The regional brands have focusing to cater to these typical requirements of semi-urban consumers. However, the presence of lots of unbranded players in such markets makes them a market of intense competition for many national level brands.

The denim market is constantly redefining and reinventing itself with new designs, texture, comfort, washes, cuts, and embellishments which keep the consumer interested and the demand high. The innovation starts from the spinning stage and value is added along the supply chain, with fabric being a major contributor to the 'value'. India has about 32 denim fabric mills with manufacturing capacity ranging from 10 MMTA to 120 MMTA. Though the market is currently dominated by menswear, other segments are also catching up fast, with ladies wear becoming a focus domain.

3.25 DRIVING FACTORS FOR DENIM MARKET

Some of the key driving factors for the denim market in India are:

- An aspiration youth (15 to 29 year olds) with higher spending power than previous generations, which make 26% of the consuming population.
- A wide range of consumer segment that consider denim as an apparel of choice owing to its comfort and style
- Favoured preference for denim amongst youth owing to its versatile association
- Increasing usage of denim products by women and youth in smaller cities and rural India

In India most of the denim manufacturers focus on the domestic markets as the value realisation remains higher in domestic market than in export markets. In the recent times the industry has witnessed entrance of new fabric manufacturers which is expected to make the market for denim fabric more price competitive in the coming years. Cotton remains the fibre of choice in denim apparel. In blended denim fabrics polyester is being used as weft threads. The demand for stretch denim is growing at a faster rate in India market due to its comfort and fit characteristics. The colour of denim jeans is no longer limited to traditional blue colours. Indian youth has started accepting denim in different colours including green, red, yellow etc.

3.26 FUTURE MEN'S APPAREL

The way men approach fashion and personal style is evolving from what it used to be. Today, men are far more aware of their choices. This is a clear testimonial that the men's wear market is set to grow at a rapid pace in the coming years. With increase in online shopping behaviour, the market is going to grow deeper into small towns and even rural areas.

Men's shirt category is the largest men's apparel category, followed by men's trousers accounting for 27 percent and 22 percent respectively. However, the suits/ coats/ safari suits market is ~4 percent of the total menswear market.

Social media platforms are only going to add the demand for the trendy clothes in the coming years. While digitally strong retailers are going to gain leadership in the youth market, competition will certainly intensify. The only brands which can sustain are the ones who are willing to keep pace with changing times and changing consumer preferences.

3.27 CHALLENGES IN APPAREL INDUSTRY

Due to changing government policies at the state and central government levels, major challenges are arising in the textile industry. The tax structure for GST (Goods and Service Tax) makes the garments expensive. Some of the key challenges in the apparel industry are mentioned below:

- ✚ Shortage in supply of raw materials
- ✚ Increase in the cost of raw materials
- ✚ Environmental problems
- ✚ Infrastructure bottlenecks
- ✚ Impact of GST
- ✚ Shortage of laborer's due to a mass return
- ✚ The decline in Apparel export.

The Indian textile industry has its own limitations such as access to the latest technology and failures to meet global standards in the highly competitive export market. Countries like China, Bangladesh, and Sri Lanka give fierce competition in low price garment market.

4.0 EXPORT/ IMPORT MARKET ABOUT GARMENTS INDUSTRY

India's textile products are exported to more than a hundred countries. However, the USA and the EU countries account for a major share of India's textile and apparel exports. Based on the Exim data, the growth of the apparel industry is as follows:

4.1 RMG EXPORTS IN FEBRUARY 2022

India's Ready-Made Garment (RMG) Export Update for the month of February of the FY 2021-22 as follows:

INDIA'S RMG EXPORT TO WORLD							
Month	(In US\$ Mn.)			MoM Growth (%)			
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2021-22
				Over	Over	Over	Over
				2018-19	2019-20	2019-20	2020-21
April	1408.8	126.8	1297.8	4.2	-91.0	-7.9	923.2
May	1530.1	517.0	1107.3	14.2	-66.2	-27.6	114.2
June	1233.5	804.3	1003.3	-9.2	-34.8	-18.7	24.7
July	1365.8	1065.7	1389.3	7.1	-22.0	1.7	30.4
August	1261.9	1085.6	1238.0	-2.4	-14.0	-1.9	14.0
September	1080.6	1192.9	1301.2	-2.2	10.4	20.4	9.1
October	1108.9	1180.1	1255.7	-2.0	6.4	13.2	6.4
November	1058.5	1047.1	1072.2	-6.4	-1.1	1.3	2.4
December	1409.5	1195.8	1466.4	2.4	-15.2	4.0	22.6
January	1453.5	1295.9	1546.4	-4.9	-10.8	6.4	19.3
February	1477.9	1348.6	1600.2	-4.4	-8.8	8.3	18.7
March	1120.5	1427.3		-34.8	27.4		
Total	15509.5	12287.2	14278.0	-4.0	-20.8	-1.8	31.5

Source: DGCI&S, Kolkata, 2022

Note- 1) Data for the month of February, 2022 is Provisional data released by Ministry of Commerce on 14.03.2022. 2) Sum of the value from (Apr-Feb) 2019-2020 is USD 14389.0 mn and (Apr-Feb) 2020-21 is USD 10859.8 mn and (Apr-Feb) 2021-22 is USD 14278.0 mn

RMG exports grow 19% in February 2022 where RMG exports were to the tune of USD 1600.2 million in February, 2022 showing a positive growth of 18.7% against the corresponding month of February, 2021 and a growth of 8.3% against February, 2020. Cumulative RMG exports for the period Apr-Feb; 2021-22 is USD 14278.0 mn showing a positive growth of 31.5% against the period Apr-Feb, 2020-21.

In Rupee terms, RMG exports were to the tune of INR 12002.0 crore in February, 2022 showing a positive growth of 22.3% against the corresponding month of February, 2021 and a positive growth of 13.9% against February, 2020.

4.2 USA'S APPAREL TRADE

The below table shows that the USA's RMG imports from the world were to the tune of USD 87347.5 mn in 2021, showing a growth of 22.7% as compared to 2020.

USA'S RMG IMPORT FROM WORLD AND INDIA				
	2019	2020	2021	% Change
USA's RMG imports from World, (In USD Mn.)	87384.5	71165.7	87347.5	22.7
USA's RMG imports from India, (In USD Mn.)	4255.1	3201.6	4497.3	40.5
India's Share in USA's RMG imports from world, %	4.9	4.5	5.2	14.4

Source: UN Comtrade, 2022

RMG imports from India have remained stable at USD 4497.3 million. a growth of 40.5% as compared to 2020. India's percentage share in the USA's RMG imports from the world has remained at 5.2 percent in 2021.

4.3 TOP RMG SUPPLIER TO USA

TOP RMG SUPPLIER TO USA AND INDIA'S POSITION			
S. No	Countries	Imported value in 2021 (in USD mn)	% Share
	World	87347.5	100
1.	China	22002.5	25.2
2.	Vietnam	15106.5	17.3
3.	Bangladesh	7289.1	8.3
4.	India	4497.3	5.1
5.	Indonesia	4384.7	5.0
6.	Cambodia	3719.3	4.3
7.	Mexico	3002.2	3.4
8.	Honduras	2858.9	3.3
9.	Pakistan	2412.2	2.8
10.	Nicaragua	2053.7	2.4

Source: UN Comtrade, 2022

The above table shows that China has remained a top supplier of RMG to USA with 25.2 % share in 2021. India is the 4th largest supplier of RMG to USA with 5.1% share. Vietnam and Bangladesh has a share of 17.3% and 8.3% respectively.

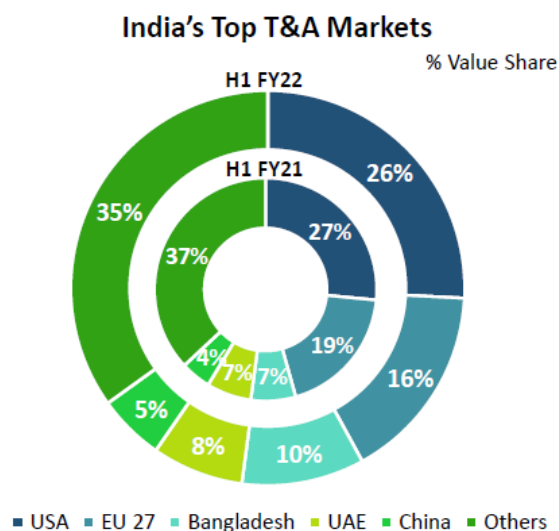
4.4 INDIA'S OVERALL T&A* EXPORTS

India's Textile & Apparel Exports (Values in US\$ Million)

Category	Q1 FY20	Q1 FY21	Q1 FY22	CAGR (FY20-22)	Q2 FY20	Q2 FY21	Q2 FY22	CAGR (FY20-22)	H1 FY20	H1 FY21	H1 FY22	CAGR (FY20-22)
Fibre	382	314	1,086	69%	284	505	689	56%	666	819	1,775	63%
Filament	299	97	375	12%	288	205	392	17%	587	302	767	14%
Yarn	886	533	1,398	26%	762	879	1,612	45%	1,648	1,412	3,010	35%
Fabric	1,189	504	1,290	4%	1254	1,099	1,451	8%	2,443	1,603	2,741	6%
Apparel	4,172	1,448	3,408	-10%	3708	3,343	3,929	3%	7,881	4,791	7,337	-4%
Home Textile	1,327	714	1,610	10%	1383	1,573	1,918	18%	2,710	2,287	3,528	14%
Others	449	245	531	9%	417	441	689	29%	866	686	1,220	19%
Total	8,704	3,856	9,700	6%	8095	8,044	10,680	15%	16,799	11,900	20,380	10%

Note: * Textile & Apparel

Source: DGCI&S



INFERENCE:

- Since H1 FY20, T&A exports have grown at a CAGR of 10% until H1 FY22.
- Fibre witnessed the highest growth rate of 63%, followed by yarn with a growth rate of 35%.
- In Q2 FY22, exports of fibre showed a significant CAGR of 56% due to the increase in cotton exports amid the US' ban on the purchase of cotton products from China.
- The exports of India to Bangladesh have increased by a significant percentage, now accounting for 10%, from the 7% seen during the same period last year.

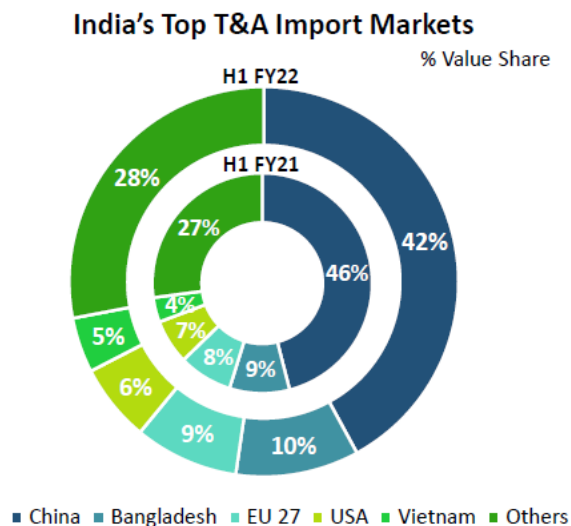
4.5 INDIA'S OVERALL T&A* IMPORTS

India's Textile & Apparel Imports (Values in US\$ Million)

Category	Q1 FY20	Q1 FY21	Q1 FY22	CAGR (FY20-22)	Q2 FY20	Q2 FY21	Q2 FY22	CAGR (FY20-22)	H1 FY20	H1 FY21	H1 FY22	CAGR (FY20-22)
Fibre	579	248	391	-18%	984	203	353	-40%	1,563	451	744	-31%
Filament	197	86	310	25%	214	86	267	12%	411	172	577	18%
Yarn	112	46	102	-5%	144	120	135	-3%	256	166	237	-4%
Fabric	618	232	509	-9%	614	367	568	-4%	1,232	599	1,077	-7%
Apparel	232	132	184	-11%	354	243	356	0%	585	375	540	-4%
Home Textile	63	37	46	-15%	93	34	55	-23%	156	71	101	-20%
Others	185	228	102	-26%	214	193	239	6%	399	421	341	-8%
Total	1,985	1,010	1,786	-5%	2,616	1,247	1,972	-13%	4,602	2,257	3,758	-10%

Note: * Textile & Apparel

Source: DGCI&S



INFERENCE:

- The overall T&A imports in H1 FY22 had declined at a rate of 10% since H1 FY20.
- Of all the commodities imports of filament yarn has witnessed a positive growth trend rising at a CAGR of 18% since H1 FY20.
- On the contrary, imports of all other commodities have witnessed a steady decline in H1 FY22 since H1 FY20.
- China continues to be the largest import partner for India with a share of 42% in H1 FY22 which has decreased by 4.0 percentage points when compared to H1 FY21.

5.0 CUSTOMER RELATIONSHIP BY STITCHED TEXTILES

Stitched Textiles maintains a strong relationship with its customers and is expanding its business operations nationwide. The customer bonding was nearly several years with stitched textiles to become a successful brand in top cities across India, as the customer supports them without any regulations.

In that, Vortex Cotfab Limited has more than four years of customer relationships developed with Stitched Textiles, as their trust and bonding make their business routine successful. Following that, Biz on Go and 7NR Retail Limited began developing healthy business relationships and making higher business sales volumes with Stitched Textiles, and completed a year by providing good quality men's wear such as denim, shirts, T-shirts, Polos, and so on for the age group of 18-55 and making app sales directly to the customer to take their business to the next level.

6.0 MARKETING ARRANGEMENTS BY STITCHED TEXTILES

The efficiency of the sales and marketing network is critical to the success of the company. Success lies in the strength of the company's relationship with the clients who have been associated with it. The company's team, through their experience and good rapport with these clients, owing to the timely and quality delivery of products, plays an instrumental role in creating and expanding a work platform for the company.

To get repeat orders from its customers, the company's team must have adequate experience and competencies, regularly interact with them, and focus on gaining an insight into the additional needs of customers.

With continuous branding and quality of the products, the company will establish its presence in the market by planning mass level activities like paper advertisements, high-level social media marketing, radio marketing, TV commercials, and reality shows.

7.0 GOVERNMENT INITIATIVES/ SUBSIDY/ SCHEMES

The Textile industry is one of the largest source of employment generation in the country with an estimated 45 million people directly engaged in this sector including a large number of women and rural population. Taking into account the employment potential of textile sector, the Government is promoting investment in this sector which will create additional jobs, businesses and skilling opportunities under the broad objectives of various policy initiatives of the Government including “Skill India” and “Make in India”.

Details of important schemes launched by the Government in textile sector which also supports employment generation and provides livelihood are given at Annexure.

- Scheme for Capacity Building in Textile Sector (SAMARTH) - To address the skilled manpower requirement across textile sector, the scheme was formulated, under the broad policy guidelines of “Skill India” initiative and in alignment with the framework adopted for skilling programme by Ministry of Skill Development and Entrepreneurship. The scheme is approved for implementation till March, 2024.
- The Amended Technology Upgradation Fund Scheme (ATUFS), under the Ministry of Textiles, aims to facilitate employment, investment, quality, productivity, as well as import and export substitution in the textile industry while also indirectly promoting investments in the manufacturing of machinery for textiles.

Eligible individual entities (not units) are entitled to avail reimbursement of the Capital Investment Subsidy (CIS) according to the rates that are given below:

Segment	Rate of CIS
Weaving using new looms that are shuttle-less processing handloom, silk, and jute (includes knitting and weaving preparatory)	10% subject to Rs.20 crore upper limit
Technical textiles, garmenting	15% subject to Rs.30 crore upper limit
Multiple segments/composite unit where the capital investment for garmenting and technical textiles is less than 50% of project cost	10% subject to Rs.20 crore upper limit
Multiple segments/composite unit where the capital investment for garmenting and technical textiles exceeds 50% of project cost	15% subject to Rs.30 crore upper limit

- National Technical Textile Mission: Creation of National Technical Textiles Mission for a period of 4 years (2020-21 to 2023-24) was approved with an outlay of Rs.1480 crore for developing usage of technical textiles in various flagship missions, programmes of the country including strategic sectors.
- Production Linked Incentive (PLI) Scheme - The PLI Scheme for Textiles to promote production of MMF apparel, MMF Fabrics and Products of Technical Textiles in the country to create 60-70 global players, attract fresh investment of Rs. 19,000 crore approximately and generate almost 7.5 lakh new employment opportunities.
- PM-MITRA: To attract investment for ‘Make In India’ initiative and to boost employment generation through setting up of 7 (Seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites with world class infrastructure including plug and play facility with an outlay of Rs.4445 crore for a period of seven years upto 2027-28.
- Scheme for Integrated Textile Parks (SITP): The scheme provides support for creation of world-class infrastructure facilities for setting up of textile units.
- Integrated Processing Development Scheme (IPDS): In order to facilitate the textile industry to meet the required environmental standards and to support new Common Effluent Treatment Plants (CETP)/ upgradation of CETPs in existing processing clusters as well as new processing parks specially in the Coastal Zones.
- Special Package for Textile and Apparel sector: Rs. 6000 crore package was launched in June 2016 to boost employment and export potential in the apparel and made up segments.

INTEREST SUBSIDY

INTEREST SUBSIDY																		
S. No:	Incentive Type	Eligibility Criteria/Description	Incentive Detail															
1.	Interest Subsidy	The scheme will be known as financial assistance by way of credit linked Interest Subsidy for eligible activities. - Weaving, including preparatory (excluding Woven Sacks) - Knitting - Dyeing and/or Printing (Processing) - Machine Carpeting - Technical Textile (excluding woven sacks in any form of packtech) - Made-ups (Made-ups means an article manufactured and/or stitched from any type of cloth, but does not include garment) - In case of composite unit, activities excluding ginning, spinning, garments and apparel - All other activities of Textile value chain - Crimping, Twisting, Texturizing, Thread, Sizing, Winding, Machine Embroidery.	<table><tr><th>Category</th><th>No. of Employees</th><th>Interest Subsidy</th></tr><tr><td>MSME</td><td></td><td>6%</td></tr><tr><td rowspan="4">Large Enterprises</td><td>Providing direct employment up to 100 persons</td><td>4%</td></tr><tr><td>Providing direct employment to more than 100 and up to 200 persons</td><td>4.5%</td></tr><tr><td>Providing direct employment to more than 200 and up to 500 persons</td><td>5%</td></tr><tr><td>Providing direct employment to more than 500 persons</td><td>6%</td></tr></table>	Category	No. of Employees	Interest Subsidy	MSME		6%	Large Enterprises	Providing direct employment up to 100 persons	4%	Providing direct employment to more than 100 and up to 200 persons	4.5%	Providing direct employment to more than 200 and up to 500 persons	5%	Providing direct employment to more than 500 persons	6%
			Category	No. of Employees	Interest Subsidy													
			MSME		6%													
			Large Enterprises	Providing direct employment up to 100 persons	4%													
				Providing direct employment to more than 100 and up to 200 persons	4.5%													
				Providing direct employment to more than 200 and up to 500 persons	5%													
Providing direct employment to more than 500 persons	6%																	
	Incentive in Power Tariff and Electricity Duty	- Power Tariff Subsidy will be eligible to new enterprise, expansion and forward/backward integration. The enterprise will have to install separate sub meter for each expansion or forward/backward integration to measure energy consumption by new Plant and Machinery and utilities installed in same premises. In case of such expansion or forward/backward integration, only the additional energy consumption (Kwh) over the average monthly energy consumption (Kwh) of immediately preceding six months of initiating expansion or forward/backward integration will be considered for eligibility of power tariff subsidy - The power consumed from its own captive power plant or electricity purchased through open access will not be eligible for the Power Tariff subsidy. However, such enterprise purchasing power from licensee utility for its balance requirement of power, will be eligible for power tariff subsidy for billed units (Kwh) to the extent of the balance requirement	- Weaving Activity o Power Tariff subsidy of Rs. 3 per billed unit (Kwh) having LT power connection and Rs. 2 per billed unit (Kwh) having HT power connection - Other Eligible Activities Rs. 2 per billed unit (kwh) to enterprise having either LT connection or HT connection - An enterprise will be eligible for Power Tariff Subsidy under the scheme only if it has availed term loan from commercial/ cooperative bank or Financial Institution approved by RBI - An enterprise that purchases electricity from a licensee utility only will be eligible for power tariff subsidy - The enterprise having renewable power generation tor captive consumption can avail power tariff subsidy for the balance electricity consumption from the licensee utility															

8.0 FINANCIAL ANALYSIS

The key financial segments analyzed by top competitors in the apparel industry based on their revenue and sales of their respective products are as follows

14.1 GARMENTS COMPANIES OVERALL IN INDIA

Top Textile & Apparel industries in India compared the revenue with CAGR as follows:

Standalone/ Consolidated (In Lakhs)															
Company Names	FY 19-20					FY 20-21					FY 21-22				
	Operating Revenue	Expenses	Tax & Other Expenses	Net Profit/Loss	Net Profit Margin	Operating Revenue	Expenses	Tax & Other Expenses	Net Profit/Loss	Net Profit Margin	Operating Revenue	Expenses	Tax & Other Expenses	Net Profit/Loss	Net Profit Margin
SUTLEJ TEXTILES AND INDUSTRIES LIMITED	240472	23457	229	216786	9015%	189219	187705	563	951	50%				0	0%
KPR MILL LIMITED	293453	255786	8206	29461	1004%	356626	287740	17360	51526	1445%	490970	376818	29968	84184	1715%
SEL MANUFACTURING COMPANY LIMITED	36764	46116.02	244749.42	-254101	-69117%	19271	44114	-535237	510393.	264849%				0	
ARVIND LIMITED	678547	647654	13755	17138	253%	515457	512003	6193	-2739	-53%	808428	769384	14886	24158	
LOYAL TEXTILE MILLS LIMITED	110787	110819	-458	426	38%	112485	109186	547	2752	245%				0	
GB GLOBAL LIMITED	26688	32905.25	-1886.6	-4331	-1623%	6909	16992.18	102.08	-10185	-14741%				0	
ALOK INDUSTRIES LIMITED	322547	405556	394	-83403	-2586%	375697	494775	-7044.88	-112033	-2982%				0	
RAYMOND	657830	660909	17096	-20175	-307%	364783	410291	-15143	-30365	-832%	634796	593483	14730	26583	419%
NAHAR SPINNING LTD	208998	216720.61	-2416	-5306.5	-254%	211883	206529.8	1212	4141.49	195%	360837	293310.4	17307.2	50219.68	1392%
VAXTEX COTFAB LIMITED	2778	2758.83	9.40953	9.32056	34%	2622	2595.67	8.43246	17.8311	68%				0	

Source: Annual Reports

REVENUE FROM OPERATIONS:

(In Lakhs)

S. No:	Company Name	2019-20	2020-21	2021-22	CAGR% for 2 Years
1.	Nahar Spinning Ltd	208,998	211,883	360,837	31.40%
2.	KPR Mill Limited	293,453	356,626	490,970	29.35%
3.	Arvind Limited	678,547	515,457	808,428	9.15%

Source: Annual Report/ CAGR Calculator

INFERENCE:

- All the above data are considered figures from Annual Reports issued by the company
- Nahar Spinning Ltd. has increased its revenue over the last three years, and its CAGR (compound annual growth rate) has increased by 31.40% when compared to competitors.
- KPR Mills achieved their revenue comparatively with Nahar spinning and achieved a CAGR of 29.35%, which is the second lowest company to achieve higher revenue from its operations.
- Arvind Limited has achieved higher revenue compared to the years 2019–20.
- The rest of the companies have overcome COVID regulations to achieve their best revenue generation in the next few years.

14.2 GARMENTS COMPANIES IN GUJARAT

- The textile & Apparel Industry has always played a pivotal role in the industrial and economic growth of our state of Gujarat. Followed by companies like Sintex Industries, Ashima Ltd, Globe Textiles India, United Polyfab were achieved higher revenue generation for past 2 years.
- The CAGR of Stitched Textiles was compared with the last 2 years of audit report and came across as 86.42%, whereas, no other competitors would have achieved the matchable operating revenue generated by Stitched Textiles.

Top Textile & Apparel industries in Gujarat compared the revenue with CAGR as follows:

Standalone/Consolidated (In Lakhs)										
Company Names	FY 19-20					FY 20-21				
	Operating Revenue	Expenses	Tax & Other Expenses	Net Profit/ Loss	Net Profit Margin	Operating Revenue	Expenses	Tax & Other Expenses	Net Profit/ Loss	Net Profit Margin
Aarvee Denims and Exports Ltd	56641	62193.2	-1359.85	-4192.7	-740%	28732	37040.16	-1888.86	-6419.11	-2234%
Sintex Industries Ltd	166243	299710	-8469	-124998	-7519%	174416	261949	42600	-130133	-7461%
Ashima Ltd	29320	29658	0	-338	-115%	15266	16426	0	-1160	-760%
Globe Textiles India Ltd	26705	26305.8	88.92	309.88	116%	26360	26224.36	110.22	25.12	10%
Jayatma Industries Ltd	11661	11646.8	-3.98	18.42	16%	15538	15506.45	8.22	23.41	15%
Pradip Overseas Ltd	4339	5688.11	1757.84	-3107.3	-7162%	2697	19216.96	1022.52	-17542.5	-65045%
Premier Synthetics Ltd	4310	4299.5	0	10.6617	25%	2460	2301.336	0	158.4971	644%
Raghuvir Synthetics Ltd	9410	9062.21	99.42	248.16	264%	17970	17201.68	179.37	589.38	328%
United Polyfab Gujarat Ltd	26483	26072	65.44	345.545	130%	21016	20796	166.2411	54.33815	26%
Soma Textiles & Industries Ltd	2711	4283.27	-985	-587.11	-2166%	1415	3328.81	235	-2148.83	-15186%
Stitched Textiles Ltd	681.16	680.44	0.26	0.46	0.068	1269.81	1228.07	10.89	30.85	243%

Source: Annual Report/ CAGR Calculator

INFERENCE:

- All the above data are considered figures from Annual Reports issued by the company.
- Gujarat is considered the textile hub of India. The state is producing nearly 31.80 lakh bales of cotton and is touted as the denim capital of India. Gujarat has some 25 denim manufacturing mills with a cumulative installed capacity of producing 1 billion metres of denim per annum. The state accounts for 60% of the denim fabric produced in India.
- Based on denim products, 15% of overall production is done by Stitched Textiles, where fabric is around 60% of their revenue generation.
- The rest of the following garments, like men's shirts, T-shirts, and other accessories, are accounted for in their revenue share.

9.0 KEY PLAYERS PROFILE

Key Players profile based on the textile & apparel industry as follows:

S. No	Company name	Year established	Head office	Products manufactured	Manufacturing locations	Garments installed capacity (units - Lakh /Annum)	Garments Capacity maximum utilization(Unit-Lakh / Annum)	Sales Volume (Lakh/ Annum)	Total Sales value (Lakh/ Annum)	Domestic sales value (Lakh/ Annum)
	Organised Company					Year -2021				
1.	Raymond Ltd	1925	Mumbai	Jackets, trousers, vests, shirts and jeanswear.	Amravati, Vapi, Chhindwara, Jalgaon, Bengaluru, Kolhapur, Ethiopia,	95	90	90	157000	112000
2.	Loyal Group	1956	Chennai	Safety jackets, trousers, vests, shirts and jeanswear.	Chennai, Sivagangai, Kovilpatti & Ariyalur	35	35	35	100000	20000
3.	Mandhana Industries LTD	1984	Mumbai	Men's shirts; women's blouses tops dresses and skirts; casual bottom wear; kids wear; sports wear; and jeans wear.	Tarapur, Baramati and Bengaluru	50	50	50	9917	952
4.	Alok Industries Ltd	1986	Mumbai	Home textiles, ready made garments and polyester yarns	Navi Mumbai, Vapi & Silvassa	220	220	220	5191	3872
5.	Arvind Mill	1931	Ahmedabad	Cotton shirting, denim, knits and bottomweight (khaki) fabrics	Bangalore, Naroda, Santej & Mauritius	320	320	320	459316	
6.	SEL Group	1969	Ludhiana	T-shirts, polo shirts, sweat shirts, boxer shorts, thermals, girls top	Mehatwara, Ludhiana & Baddi	85	85	85	573.11	
7.	Nahar Spinning	1983	Ludhiana	Woollen/ cotton hosiery knitwears and woollen textiles	Ludhiana, Bhiwadi and Lalru	-NA-	-NA-	-NA-	275.42	-NA-
8.	KPR Mill	2003	Coimbatore	T-shirts, trousers & vests	Coimbatore Sathyamangalam and Tirupur	1150	276	276	2,88,122	181428
9.	Sutlej Textiles	1934	Mumbai	Trousers, vests, Shirts	Bhawanimandi, Bhilad, Baddi & Kathua	20	20	20	2359	1,632.03
10.	Bombay Rayon Fashions Ltd	1986	Mumbai	Shirts, trousers & Jackets	Bangalore, Navi Mumbai, Thane & Silvassa	90	90	90	1383	285

S. No	Company name	Year established	Head office	Products manufactured	Manufacturing locations	Garments installed capacity (units - Lakh /Annum)	Garments Capacity maximum utilization(Unit-Lakh / Annum)	Sales Volume (Lakh/ Annum)	Total Sales value (Lakh/ Annum)	Domestic sales value (Lakh/ Annum)
	Organised Company					Year -2021				
11.	Stitched Textiles Limited	2015	Ahmedabad	Fabric, Denim pants, Men's formal shirts, Men's Tshirts, Formal pants, Accessories, socks, polo t-shirts, casual pants, Men's casual shirts	Surat, Ahmedabad, Mumbai, Ludhiana, Tiruppur	26.4	26.4	26.4	2000	2000
12.	Shahi Exports Pvt Ltd	1974	Banglore & Faridabad	Denim, Twill bottoms, Soft wovens, and Knitwear.	Delhi, Bangalore, Mysore, Maddur, Shimoga, Bagalur, Hyderabad, Salem & Tirupur.	1680	-NA-	-NA-	-NA-	-NA-

S. No:	Company name	Export sales value(Lakh/Annum)	Geographical area covered	Key countries exported	Major customers	Product mix breakup %	Remarks
	Organised Company						
1.	Raymond Ltd	45,000	Europe, North America, Middle East ,Africa, Asia	USA, Canada, Spain, Japan and the Middle East.	ColourPlus, Park Avenue and Ethnix	30% tailored jackets, 35% tailored trousers and 35% shirts.	-NA-
2.	Loyal Group	80,000	Europe, North America & Asia	US, Russia, Germany, Spain ,Switzerland ,UK and Portugal.	H&M, Tesco, Primark & Matalan	23%Saftery Materials	-NA-
3.	Mandhana Industries LTD	8,965	Europe, Middle East, Africa, Asia, North America & South America	US, Germany, South Africa, Mexico, Australia	Tommy Hilfiger,Gin Tonic, Pepe Jeans, Aditya Birla Nuvo & NewYorker	-NA-	special unit for shirt making

S. No:	Company name	Export sales value(Lakh/Annum)	Geographical area covered	Key countries exported	Major customers	Product mix breakup %	Remarks
	Organised Company						
4.	Alok Industries Ltd	3,191	Europe , Asia	UK	H&A, Wal Mart, Target and Kohl's	-NA-	-NA-
5.	Arvind Mill	-NA-	Asia & Europe	Germany, UK, Vietnam, Singapore, China	Flying Machine, Arrow, Tommy Hilfiger and Calvin Klein	-NA-	India's largest denim manufacturer
6.	SEL Group	-NA-	Asia	Russia and Middle East	Auchan, Brooklyn Express, Synergies International & Max	-NA-	-NA-
7.	Nahar Spinning	-NA-	Europe, Africa & Asia	Singapore, Spain, South Africa, Indonesia, Lebanon, Chile, and Malaysia.	GAP, Arrow, Old Navy, Banana Republic, Chaps	-NA-	-NA-
8.	KPR Mill	106,694	Europe, Australia & North America.	USA, Australia, & Germany	Spencers, Tesco, Decathlon, Carrefour,	-NA-	-NA-
9.	Sutlej Textiles	727.3	Asia, Europe, North America & Africa	Turkey, Bangladesh, the US, Poland, Egypt, Italy, Portugal, Colombia, South Africa and Morocco.	Digjam, Arrow, JC Penney, Marks Spencer, Jockey & Donearnxg	-NA-	-NA-
10.	Bombay Rayon Fashions Ltd	1098	North America , Europe & Asia	USA, Spain & Germany	Tom Tailor, DKNY and Liz Clairborne	-NA-	-NA-
11.	Stitched Textiles Limited	-NA-	Asia	India	Biz on Go, Vaxtex Cotfab Limited & 7NR Retail Limited	-NA-	-NA-
12.	Shahi Exports Pvt Ltd	-NA-	North America, Europe & Asia	USA & European Union	Bercrombie & Fitch, American Eagle, Gap, J C Penney, Mexx, Benneton, Decathlon, Esprit, Wal-Mart, Liz Claiborne, Phillips Van Heusen, Ralph Lauren, Sears, Target, Tommy Hilfiger, H&M	-NA-	-NA-

From the above table, mentioned the key competitors' profiles in details based on year of establishment; product manufacturing locations, product variants, capacity generation, sales & export volume, marketing coverage locations, key countries' exports, major customers, etc., are the details which are gathered from annual reports, websites, secondary research and textile industry reports, etc.,

9.1 APPAREL MARKET SHARE IN INDIA

Apparel market size as follows:

S. No:	Category	(USD - BILLION)
1.	Domestic Market	55.00
2.	Export Market	12.00
3.	Import Market	0.70
Total Market share (in value)		43.70

Source: Wazir Advisors, 2021 Textile Index

Market share arrived based on the production and consumption of domestic market, followed by export and import by overall end garments as came across 43.70 USD Billion value for Textile and Apparel Industry Market, where as India is the world's largest producer of cotton. Indian textiles & apparel market is expected to be worth more than US\$ 209 billion by 2029.

The global textile industry is changing to meet the needs of the new market. With new trends in technology, non-woven materials, domestic sales, green textiles and environmental sustainability, textiles will no longer just be clothing anymore. These new trends have started to increase growth in the market as well.

10.0 SWOT ANALYSIS

The SWOT Analysis was prepared based on the industry standards for Textile & Apparel as follows:

a) Strength:

Strengths are a key part of this textile industry swot analysis. This will help one to pinpoint the strong points of their business. This will most definitely result in the improvement of the business. Some of the strength of textile industry swot analysis is enlisted below:

- **Flexible Labour Market:** This sector in particular needs an abundance of manpower. However, in Asia, the price of labour is very low.
- **Worldwide Demand:** Clothing articles are one of the basic human needs. Everyone wants to have a good quality product for a cheaper price. That's where the textile industries come in. They offer decent clothes for a reasonable price. This is the main reason, they get many buyers.
- **Involved Industries Increasing:** In modern society, many support industries are growing. These industries form a relationship of mutualism with the textile industry. Both parties are dependent on each other. These industries are dyeing, finishing, embroidery, printing, etc.
- **Presence of economic zones:** An economic zone is a type of facility that ensures that the buyer gets to buy many products with the least tax possible. This encourages buyers to buy more from this industry. This, as a result, allows the industry to make more sales and earn many profits.
- **Strong backward linkage facilities:** This industry possesses strong backward linkage facilities. This has proven to be a great asset on multiple occasions. This causes this sector to improve more in its own way. Also, it provides the industry with some much-needed support.
- **Quality Products:** Some of the well-established fashion brands like BARCELONA, PUMA, ADIDAS etc., don't compromise on the quality of their products and services. They offer both quality and fashion at the same time. They have established a large database of loyal customers because of the quality products. That's why customers always choose the products of renowned brands and designers.
- **Raw material base:** India has high self sufficiency for raw material particularly natural fibres. India's cotton crop is the third largest in the world. Indian textile Industry produces and handles all types of fibres.
- **Flexibility:** The small size of manufacturing which is predominant in the apparel industry allows for greater flexibility to service smaller and specialized orders.
- **Domestic market:** Natural demand drivers including rising income levels, increasing urbanization and growth of the purchasing population drive domestic demand.
- No seasonal sales in the apparel Industry. Festive season changes the market into more profitable.
- Online shopping reduces customers time, convenience, timely delivery, etc.,

b) Weakness:

This part of the textile industry swot analysis will solely focus on the weaknesses of this sector. These points are the ones that hold back this industry's overall growth. These are enlisted below:

- **Unable to go with the flow:** Once a steady line of the production system is in place, it is very hard to suddenly change it to accommodate any new type of clothing article. As a result, it lacks product diversification. It also has a very short lead time which is not good for this line of work. It holds back the whole industry.
- **Lack of forecasting:** Lack of forecasting is the main cause of production setbacks. If an industry is unable to provide a good forecast, it often causes major issues in the marketing sector. The quantity available does not match the assumed quantity.
- **Depending on some specific buyers:** Dependency on a few particular buyers can be the downfall of this industry. Many of the farmhouses depend on a few of their known customers for their sales. They do not get many new buyers most of the time and this causes their sales rate to pummel once any of these buyers drop out or change their choice of farmhouses.
- **Higher bank interest and insurance policy:** This industry has to face a lot of unfair treatment. Especially when it comes to banks and insurance companies. Banks require a high interest while taking loans which are nothing short of illogical. Many insurance companies, if not all, have a high-priced insurance policy with partial conditions. The industry has to suffer for this.
- High cost of dyes and chemicals and inefficient pricing profile
- Unhealthy price competition

c) Opportunities:

A textile industry swot analysis offers the best possible opportunities for the textile industry. This will clearly show which part of the sector could be so much better with a little push. Let's take a look at them:

- **Buyer attention on the Asian market:** Many of the international buyers are being more interested in the Asian section of the market. This may be a golden opportunity for the Asian industries to take the market by storm. It will also be a huge turning point for this industry in general.
- **Open costing facility for the international buyer:** Many international customers find their interest in this field being renewed by the open costing facility. This gives them a huge advantage to draw more buyers in.
- **Buyer initiatives for productivity:** In this field, many times buyers take responsibility to initiate the push for productivity. This shows that the buyers are actually interested in the said products. So, this gives a huge boost to the morale.
- **Online Shopping:** The pandemic of covid-19 and worldwide lockdown have increased the growth of online businesses. It's because of the growing online shopping trends. The fashion brands that have their e-commerce platforms remained profitable during the pandemic year. If you're in the fashion business, then you should consider investing in the e-commerce platform.
- **Spending on Fashion Products:** The overall spending on quality and fashion products has increased significantly. People have become conscious of how they look, and they want to present a better image of themselves. In other words, it means the growth of the fashion businesses and their products.
- Market establishing "showroom" objects
- Making e-mail catalog – Value of labor

d) Threats:

Any swot analysis that has helped the business in any way has a stunning compilation of the factors that pose threats to it. A textile industry swot analysis will help to highlight these threats. They are enlisted below:

- **E-shops and on-demand shops:** There are many e-shops and on-demand shops that are mushrooming their way into the market. Now, the market actually has some internal competition going on. So, these new shops often end up stealing a lot of customers away from the industry.
- **High making cost:** The making cost for this industry is quite high and very hard to achieve. So this makes having profit very hard.
- **Political and environmental crisis:** Countries that have a troublesome political environment, have fewer buyers than those that don't have them. Environmental issues can also influence the flow of buyers in a country.
- **Established Brands:** For some of the competitive fashion brands that are already established in the market, it would be nearly impossible for you to compete against them and win the market share. They have got such a loyal database of customers that you have to follow them in order to stay in the market.
- **Changing Trends:** The changing fashion trends could jeopardize the growth and performance of your business. It doesn't matter however stable you're in the market, if you're not ready for the new trends, then you would lose the market share. It shows that how fragile the fashion business is against the trends.
- **High competition:** The beauty and fashion industry is the world's most competitive business along with its high demand. Some of the renowned brands have hired excellent designers and artists in the creative team. They always come up with unique and innovative fashion products and take advantage of being the industry

leader. On the other hand, the new fashion brands with limited resources have to follow them and accept the 2nd position in the market.

11.0 ITCOT OBSERVATION

Basic raw material which is most important for garment production is available in a large amount in India and hence the lead-time is comparatively reduced. ITCOT observed that garment industry has also contributed significantly to the socio-economic development with its labor-intensive structure and employment-friendly nature. The sector continues to be the one that generates the highest number of jobs within whole manufacturing industry, and even within all economical fields.

A clothing store business is truly profitable in India. With profit margins ranging from 25 to 60%, it is deemed to be one of the most profitable businesses in India. With such a strong base across the entire value chain, Gujarat is poised to continue being the growth engine for India's economy. It is the home of Asia's largest manufacturer of textiles and apparel has numerous global brands involved with textile production, and seeks to create another 1 million jobs in the common years.

Followed by Gujarat has some 25 denim manufacturing mills with a cumulative installed capacity of producing 1 billion metre denim per annum. Meanwhile, Stitched Textiles Ltd accounts 15% of production and sales over top cities in India. BARCELONA is the brand which creates tremendous designs on men's garments like Denim, T-shirts, Shirts, Formal pants, Casual wear, etc.,

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 18 for a discussion of the risks and uncertainties related to those statements and “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations” on pages 25, 194 and 230, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context requires otherwise, the financial information included herein for financial years 2019, 2020 and 2021, and the ten months ended January 31, 2022, is based on our Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 194. Our financial year ends on March 31 of each year, and references to a particular financial year are to the 12 months ended March 31 of that year.

Unless otherwise indicated or the context requires otherwise, in this section, references to “we”, “us” or “our” refer to Stitched Textiles Limited on a consolidated basis and references to “the Company” or “our Company” refer to Stitched Textiles Limited on a standalone basis. Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Market Report on Textile and Apparel Industry” dated June 10, 2022 (the “ITCOT Report”) that has been prepared by ITCOT Limited, who were appointed on May 26, 2022. The ITCOT Report has been commissioned and paid for by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. For more information, see “Risk Factors – This Draft Red Herring Prospectus contains information derived from third parties and extracted from an industry report prepared by an independent third-party research agency, ITCOT Limited, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer.” on page 25. The ITCOT Report forms part of the material contracts for inspection and is accessible on the website of our Company at www.barcelonaclub.in. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 15.

Our company was initially established in the year 2015 as One Person Company Stitched Textiles (OPC) Private Limited founded by Mr. Jaimin Kailash Gupta and later expanded its operations and converted to Stitched Textiles Private Limited in the year 2019 and later in 2022, it was converted to a public limited Company by the name Stitched Textiles Limited. Our Company is well known by the brand name “BARCELONA” which personifies style, attitude, luxury and comfort.

Our Company is mainly into Menswear and deals in Suiting and shirting fabrics along with Garments in product categories such as Shirts, Denims, T-shirts, trousers, Cotton pants, Accessories etc. and operates 85 stores in franchisee model in more than 50 cities in India, as of now.

Our Company is in the business of trading of fabrics to wholesalers and trading and manufacturing through out-sourcing model (Job-work) by way of wholesale and retail selling of garments through its network of Exclusive Brand Outlets (EBO) under the name of BARCELONA. Our Company has started online trading through its own website at www.barcelonaclub.in for retail sales and through its B2B Application particularly for retailers and wholesalers who purchase in bulk for onward sales to end use customers. Further, our brands also sold through online e-commerce platforms like Amazon, Flipkart and Meesho.

We offer stylish, branded quality apparel at reasonable prices and our mission is to become the #1 Menswear company in India. We are committed to superior customer service, innovation and quality. We are currently targeting Tier-2, Tier-3 cities dedicated to providing value to customers with the Classic and Luxury product ranges.

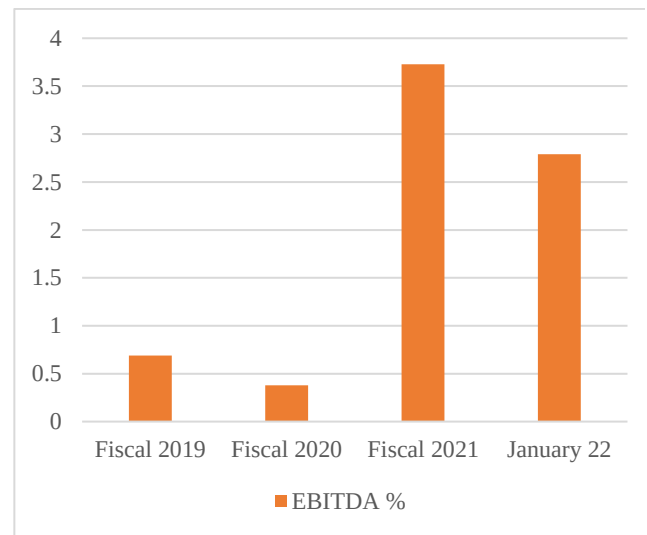
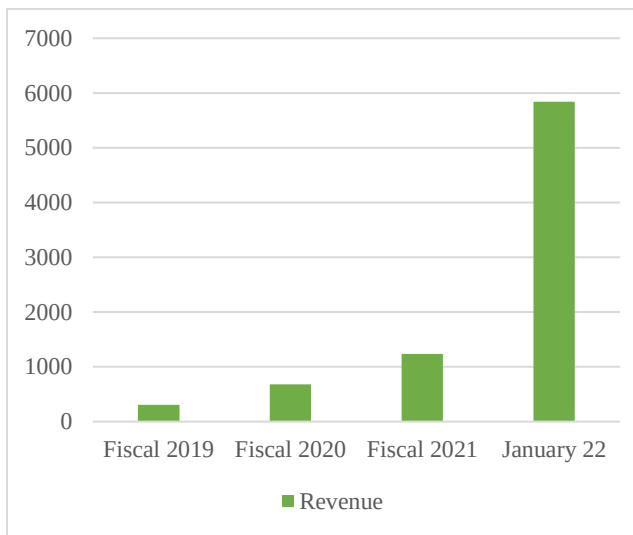
Our Company mainly sources fabric from the local markets of Ahmedabad and outsources its job work to the Manufacturers at Ahmedabad, Mumbai, New Delhi, Punjab, etc. under the supervision of company personnel for designs and quality control. The finished products are then branded and delivered at our Company Warehouse. After Quality checking at our Warehouse, the products are further dispatched as per orders from various buyers and at our franchise stores as per requirement of the store. Our Company develops fabrics and garments through outsourcing model for its stores, crafted by proficient people. It is a known fashion house and dedicated towards providing value to customers with its classic and luxury products range.

Our Company presently has warehouse, at Ahmedabad for the purpose of storing sourced textiles as well as finished goods (garments). The finished products are then shipped and sold through various retail stores under the brand name

‘BARCELONA’, many of which are owned and operated by franchisees. The Company believes that there will be no situation of inventory getting out of stock as we have central inventory management system and we can deliver order from any of our stores directly to the consumer.

Financial Overview:

As per Restated Consolidated Financial Statement, In the ten months period ended January 31, 2022 and Fiscal 2021, 2020 and 2019, our revenue from operations was ₹ 5838.08 lakh, ₹ 1232.89 lakh, ₹ 680.76 lakh and ₹ 303.92 lakh, respectively and our restated total profit after Tax for the period/ year was ₹ 93.98 lakh, ₹ 30.36 lakh, ₹ 0.47 lakh and ₹ 0.46 lakh, respectively. Our EBITDA was ₹ 163.05 lakh, ₹ 46.01 lakh, ₹ 2.58 lakh and ₹ 2.09 lakh for the ten months period ended January 31, 2022 and the Fiscals 2021, 2020 and 2019. Our EBITDA Margin (EBITDA as a percentage of our total income) was 2.79%, 3.73%, 0.38% and 0.69%, respectively.



Our Company operates under the following segments:

- Trading of Fabrics and Garments
- Sale of Fabrics and Garments manufactured through Outsourcing model

Particulars	For the period ended January 31, 2022 (₹ in lakh)	% of Total Revenue from Operations	March 31, 2021 (₹ in lakh)	% of Total Revenue from Operations	March 31, 2020 (₹ in lakh)	% of Total Revenue from Operations	March 31, 2019 (₹ in lakh)	% of Total Revenue from Operations
Revenue from Operations*								
Trading of Fabrics								
- Wholesale Trading	3858.88	66.10	763.41	61.92	559.73	82.22	180.35	59.34
Sale of Garments (Manufactured through Outsourcing model)								
- Wholesale/Trading	1125.79	19.28	311.76	25.29	89.85	13.20	123.57	40.66
- Retails Through EBO, LFS, MBO	780.57	13.37	76.92	6.24	31.17	4.58	-	-
- Retails through SiS	17.18	0.29	-	-	-	-	-	-
- Through Online Marketplace	2.48	0.04	-	-	-	-	-	-

Particulars	For the period ended January 31, 2022 (₹ in lakh)	% of Total Revenue from Operations	March 31, 2021 (₹ in lakh)	% of Total Revenue from Operations	March 31, 2020 (₹ in lakh)	% of Total Revenue from Operations	March 31, 2019 (₹ in lakh)	% of Total Revenue from Operations
- Through Barcelona Website & App	53.19	0.91	-	-	-	-	-	-
Other Misc.	-		80.80	6.55	-	-	-	-
Total	5838.09	100.00	1232.89	100.00	680.76	100.00	303.92	100.00

Our Company operates its retail EBO and MBO stores through various business models like FOFO, FOCO, COCO and SiS. The company deals Products like Shirts, denims, T-shirts, Shorts, Boxers, Cotton pants, trousers, are traded.

Our company has its presence in various cities through its exclusive brand outlet under the brand name 'BARCELONA' operated in franchise model. The company finalizes a franchise for a particular location, after which a franchise fees and stock deposit is collected from the franchise and stock is dispatched to the store, thereafter sales to customers is done from that store.

Further Our company has planned to create its presence in more than 10,000 Multi brand garment shops for which the company has launched 'Barcelona for business' B2B app, which allows users to place bulk orders on the app and get the stock delivered at their store directly from the company. This business plan of the company will allow company to liquidate stock in a better way as the stock will be held in company warehouse only but digitally available to order Pan India. The company has also introduced various marketing and branding activities for engagement with retailers. The retailers can also manage their inventory and order anytime from our B2B app.

OUR PRODUCT PORTFOLIO:

We offer a broad range of products creating signature designs within the Indian wear segment, including *T-Shirts, Shorts & Boxers, Trousers, Track Pants & Joggers, Shirts etc.* Our products cater to customers across the age-profile in an Indian family and we trust that this further enhances our brand loyalty.



T-Shirts



Shorts & Boxers



Trousers



Track Pants & Joggers

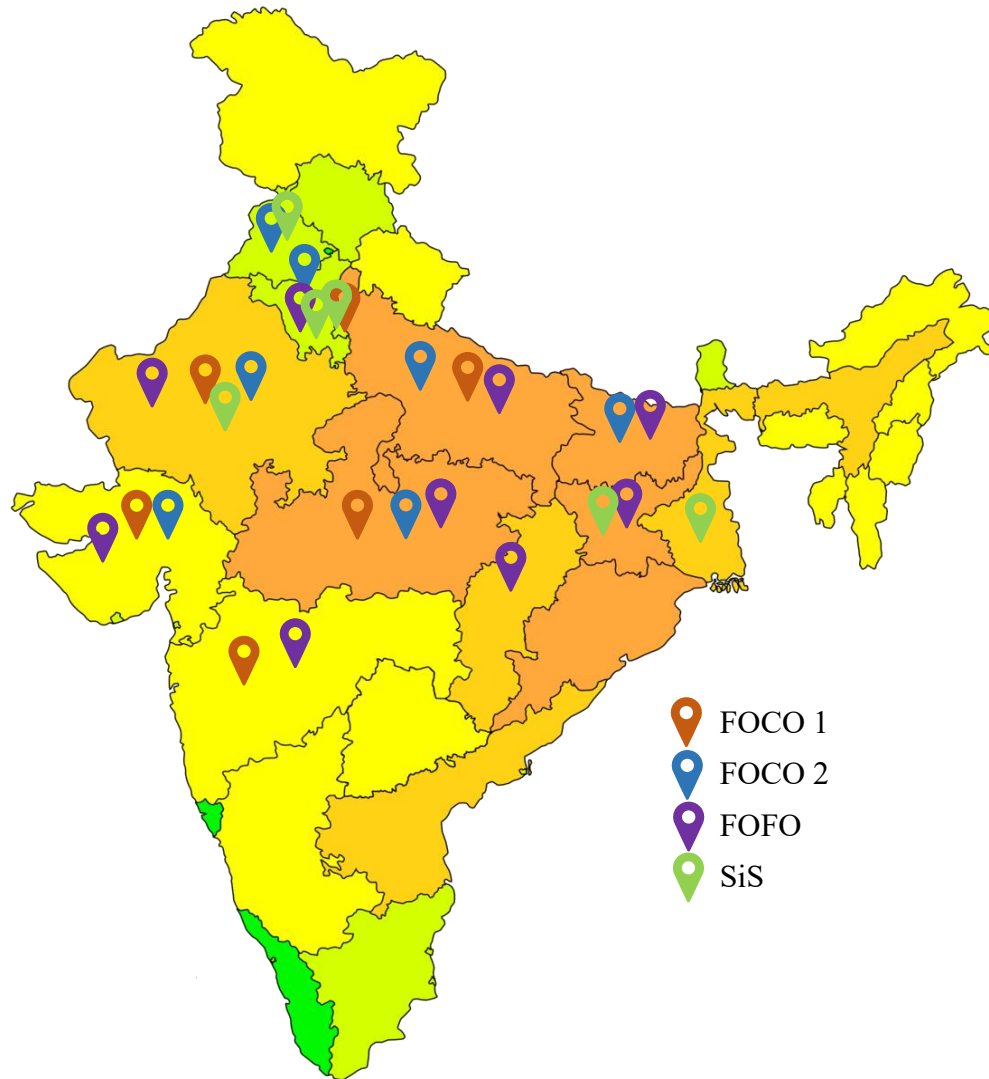


Shirts

Our products are available through a pan-India multichannel distribution network that we have built over the years comprising of our exclusive brand outlets ("EBOs"), multi-brand outlets ("MBOs") and shop-in-shop stores ("SiS"), as well as online channels comprising of our own websites, B2B application and other online marketplaces.

As of May 31, 2022, we had 85 EBOs located in more than 50 cities, spread across 13 states and union territories in India. Our well-established EBO network is not only well diversified across all regions of India, but also offers a superior shopping experience for customers. Our EBOs are located nationwide across high streets, malls and residential market areas in major metros, large cities, other tier II and tier III cities.

We opened our first store in April, 2019, with the launch of our first exclusive brand outlet in Ahmedabad, Gujarat. Revenue generated from sales of products at EBOs represented 4.58%, 6.24%, and 13.37% of our revenue from operations in Fiscals 2020, 2021 and for the period ended January 31, 2022 respectively.



The table below sets out the geographical spread of our EBOs, as on January 31, 2022:

Region	COCO	FOCO	FOCO 2	FOFO	SiS & Others
Central	-	-	1	5	-
East	-	-	-	9	2
West	-	11	7	12	1
North	-	2	1	18	4
South	-	-	-	-	-
Total	-	13	9	44	7

East Region comprises Bihar, Chhattisgarh, Jharkhand and West Bengal

West Region comprises Gujarat and Maharashtra

North Region comprises Delhi, Haryana, Uttar Pradesh, Madhya Pradesh, Punjab, Rajasthan and Uttarakhand

South Region comprises none as of now

The table below shows the distribution of outlets stores across various tiers of cities as on January 31, 2022:

Region	COCO	FOCO	FOFO	SiS & Others
Tier I Cities	-	4	2	-
Tier II Cities	-	5	14	7
Tier III Cities	-	3	38	-
Tier IV Cities	-	-	-	-
Total		12	54	7

Tier I Cities: Delhi NCR and Greater Mumbai; Bangalore, Kolkata, Chennai, Hyderabad, Ahmedabad, and Pune; and other state capitals

Tier II cities refers to cities with a population above 1 million and not in tier I;

Tier III cities refers to cities with a population more than 0.2 million and less than 1 million; and

Tier IV cities refers to cities and towns not covered above.

Early on in our journey, we recognized the importance of the online channel and building our digital capabilities. Hence, we also sell our products through our own online websites i.e. www.barcelonaclub.in and B2B Mobile Application i.e. Barcelona Business, as well as through other third-party online marketplaces such as Amazon, Flipkart and Meesho. We have invested in building a significant online presence and launched our first online platform, bareclonacub.in, and today have a known online presence within our category.

We believe that the capabilities that we have built by digitally orienting our business model have conferred upon us a competitive advantage over traditional peers, and will continue to help us identify and exploit fast evolving consumer trends, rapidly build reach and scale, and continue to maintain strong brand equity. The company offers a wide range of products to customers under different brand names.

Brand	Product Portfolio	Logo
Barcelona	Shirts, denims, T-shirts, Shorts, Boxers, , Cotton pants, trousers,	
Vaxlife*	Readymade Garments	
Brand Club	Men's wear, women's wear, kids wear	
Tridhya	Leggings, Kurtis, tops, shirts, denims, pallazo, dresses and such other women's wear	

* yet to start business operations

The Table below sets forth details of brand-wise outlets:

Brand Outlets	May', 2022		January' 2022		March' 2021		March' 2020		March' 2019	
	State	No. of Stores	State	No. of Stores	State	No. of Stores	State	No. of Stores	State	No. of Stores
Barcelona	13	83	12	66	7	24	4	4	-	-
Tridhya	-	-	1	1	-	-	-	-	-	-
Brand club	1	2	1	1	-	-	-	-	-	-

The Table below sets forth certain operational details (sales, % of total sales) for our brands:

Particulars	For the period ended January 31, 2022 (₹ in lakh)	% of Total Revenue	Fiscal 2021 (₹ in lakh)	% of Total Revenue	Fiscal 2020 (₹ in lakh)	% of Total Revenue	Fiscal 2019 (₹ in lakh)	% of Total Revenue
Barcelona	1,976.74	33.86	387.87	31.46	121.02	17.78	163.18	53.69
Vaxlife	-	-	-	-	-	-	-	-
Brand Club	-	-	-	-	-	-	-	-
Tridhya	2.47	0.04	-	-	-	-	-	-
Total	1,979.21	33.90	387.87	31.46	121.022	17.78	163.18	53.69

We are led by a highly experienced senior management team with our Managing Director, Mr. Jaimin Kailash Gupta, continuing to be involved in strategic planning, conceptualization, design and production development, who has been intimately involved in the business for 7 years, has overseen the development of our business strategy and has extensive expertise in sourcing, designing, retailing and establishing distribution channel partnerships. Jaimin Kailash Gupta is the architect of our strategic vision and has demonstrated his ability to successfully create, build and grow our brands and business.

Furthermore, we are also supported by an experienced management team of cross-functional professionals with expertise covering all aspects of our business, an experienced Board of Directors. We aim to leverage the strength of our brands to offer a superior shopping experience to our customers by further developing our position across a wide range of apparel and adjacent categories, as well as our distribution channels (both online and offline) and geographies (both domestically and globally). We believe that we are well positioned to achieve this vision through the investments that we have made in our brands, our understanding of the diverse requirements of our consumers, our strong channel relationships, our strong physical and digital retail infrastructure, our robust design and supply chain capabilities and our highly experienced management team, all of which have shaped our existing track record and our leading position in the Indian wear category.

The table below sets forth a break-up of our revenue from operations from our distribution channels for the periods indicated:

Retails Stores		No. of Stores	For the period ended January 31, 2022 (₹ in lakh)	% of Total Revenue	No. of Stores	Fiscal 2021 (₹ in lakh)	% of Total Revenue	No. of Stores	Fiscal 2020 (₹ in lakh)	% of Total Revenue	No. of Stores	Fiscal 2019 (₹ in lakh)	% of Total Revenue
Exclusive Outlets (EBO)	Brand	81	780.57	13.37%	26	76.92	6.24%	5	31.17	4.58%	-	-	-
	Company Owned Company Operated Stores (COCO)	-	-	-	-	-	-	-	-	-	-	-	-
	Franchisee Owned Company Operated Stores (FOCO-1)	21	143.10	2.45%	7	16.69	1.35%	2	7.50	1.10%	-	-	-
	Franchisee Owned Company Operated Stores (FOCO-2) (Rent + Commission)	12	143.77	2.46%	4	16.51	1.34%	2	5.09	0.75%	-	-	-
	Franchisee Owned Franchisee Operated Stores (FOFO)	48	493.70	8.46%	15	43.71	3.55%	1	18.57	2.73%	-	-	-
Shop-in-Shop Stores (SiS)		7	17.18	0.29%	-	-	-	-	-	-	-	-	-
	Large Format Stores (LFS)	-	-	-	-	-	-	-	-	-	-	-	-
	Multi Branded Outlets (MBO) [Same as B2B application]	-	-	-	-	-	-	-	-	-	-	-	-
	Company's Websites, B2B Mobile Application and other third-party online market places	-	55.67	0.95%	-	-	-	-	-	-	-	-	-

Our Retail Network

The retail segment of the Company can largely be divided into three verticals; being:

- Exclusive Brand Outlets (EBO)
- Company Owned and Company Operated Stores;
- Franchisee Owned Company Operated Stores;
- Franchisee Owned Franchisee Operated Stores; and
- Large Format Stores (LFS) and Multi-branded Outlets (MBO)
- Shop-in-Shop Stores (SiS)
- Online Market Place
- Company Website and B2B Mobile Application

Exclusive Brand Outlets

Exclusive brand outlets (EBOs) is a Garment retail outlet which operates under single brand name and exclusively sells products only of one brand, Further Exclusive brand outlets operate under 3 models as FOCO, FOFO and COCO which are further defined as under:

Company Owned Company Operated Stores (COCO):

The stores are managed, financed and controlled directly by the Company and its personnel. As on date, Our Company does not have any Company Owned Company Operated Stores (COCO).

COCO stores are those stores which are completely owned by Company and also operated by company. Here, company finalises a location, executes rent agreement, all the interior work is done on company's expense. Further company send stock on the store and then store is inaugurated and all the sales is booked under company from the date of inauguration. All the expenses of the store are also paid by the company also like rent, salary, light bill, etc.

Franchisee Owned Company Operated Stores (FOCO):

There are franchise stores that are managed and funded by the Company. Out of these, the Company directly pays the lease rentals for few of the stores, while the expenditures incurred for operating the other stores are reimbursed to the franchisee every month. The Franchisee bears the expenses such as salary of the staff, electricity bill, municipal taxes, etc. The Franchisee maintains a security deposit with the Company towards the materials in the stores and charges a fixed commission based on the sales.

State	City
Gujarat	Bhuj, Naranpura, Ahmedabad, Viramgam, Eva Mall, Bhavnagar, Himalaya Mall, Bhavnagar, Bopal, Ahmedabad, OP Road, Vadodara, Vijapur, Iskon, Ahmedabad, Sevasi, Vadodara
Uttar Pradesh	Kanpur, Meerut, Gomtipur
Rajasthan	Shree Ganganagar, Tonk Road, Jaipur, Panchawala, Jaipur, Crystal Court Mall, Laxmangarh, Sikar, Ajmer, Jhotwara 1
Maharashtra	Kolhapur, Akola
Madhya Pradesh	Indore
Haryana	Rohtak
Chhattisgarh	Raipur

Franchisee Owned Franchisee Operated Stores (FOFO):

Most of the Franchise stores of the Company are Franchisee operated. The Company and Franchisee enters into agreement which is subject to renewal based on Franchisee performance and other factors. The Franchisee maintains a security deposit with the company and operates the store at its own cost. The Franchisee bears all the costs and expenditure, and charges commission at a fixed rate.

State	City
Gujarat	Mundra, Jodhpur, Ahmedabad, Juhapura, Ahmedabad, Rajkot
Uttar Pradesh	Sultanpur, Moradabad, Banda, Muzaffarnagar, Mainpuri, Sultanpur
Haryana	Palwel, Kaithal, Gohana, Ganaur, Hisar
Rajasthan	Madhopur, Tonk City, Shahpura, Jhotwara, Jaipur, Suratgarh, Jaipur
Madhya Pradesh	Chhatarpur, Bhopal, Dhar, Shivpuri
Maharashtra	Vaijapur, Nagpur, Gondia
Jharkhand	Jamshedhpur, Ranchi
Bihar	Gaya, Naughachiya, Sasaram, Siwan
Delhi	Shaheenbag
Punjab	Ludhiana
Uttarakhand	Rudrapur

Shop-in-Shop Stores (SiS):

The shop in shop (SiS) concept is another means to this end, creating a branded retail space within another store. The Company and store owner have an agreement which is subject to renewal based on the performance and other factors. The store owner maintains a security deposit with the company and operates the store at its own cost. The store owner bears all the costs and expenditure, and charges commission at a fixed rate.

State	City
Haryana	Shafidon, Jind, Sonipat
Uttar Pradesh	Mathura
Delhi	Delhi
West Bengal	Nadia

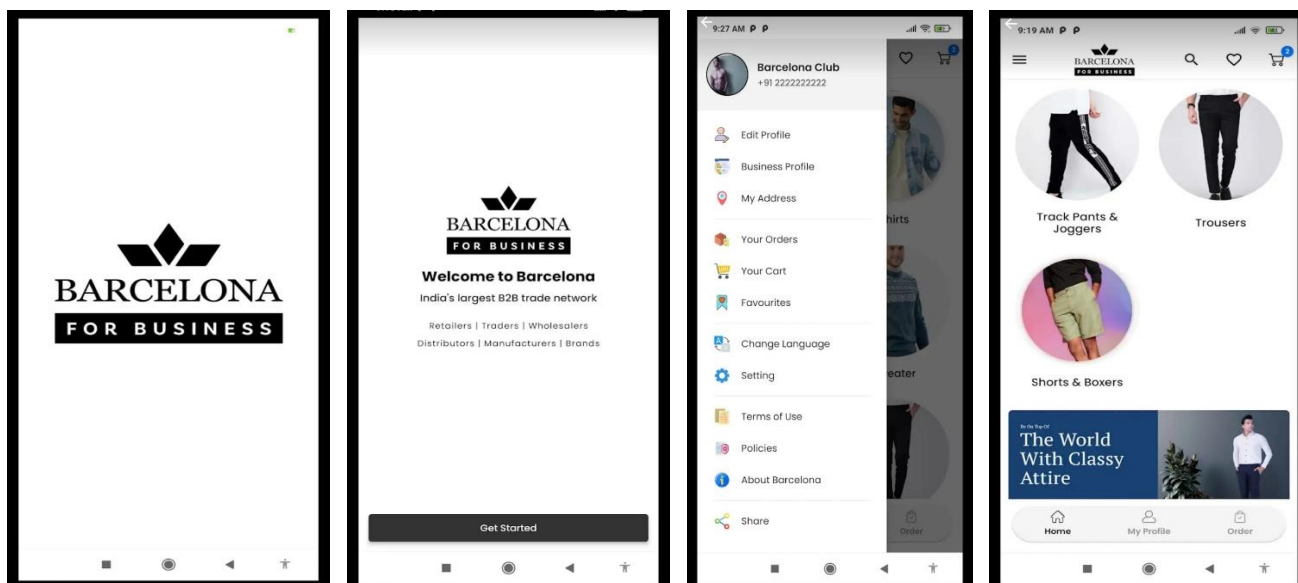
Company's Websites, B2B Mobile Application and other third-party online market places

Barcelona, men's fashion brand having presence in more than 50 cities nationwide, has launched a B2B app for garment retailers in India for IOS and Android users.

Through this mobile app, all retailers will be able to manage all of their inventory, which ultimately will improve the efficiency and profitability of the inventory management and customer billing process. Our biggest choice of products with more than 100 styles to order, plus size stock with all the latest trends, will allow one to make a difference with this app.

The new app's capabilities include benefit of cost saving to the retailers, it will help the retailer know which product works best at the store, effortlessly manage customer data, ease in categorizing valuable customers and most importantly the retailers can review customer journey map with clarity. The Barcelona mobile application gives users total control of their shopping experience and acts as a one stop shop for all the latest trends. Retailers can buy trendy and affordable apparel in just a click with total control.

As on May 31, 2022, Our Company has 5,497 active registered users, 6,134 total registered users and 2,225 verified users on our B2B application.



We provide a broad range of products to our customers which increases the scope of our customers on online marketplace i.e. Flipkart, Meesho, Amazon and Barcelona Web & App. The following is the metrics of turnover:

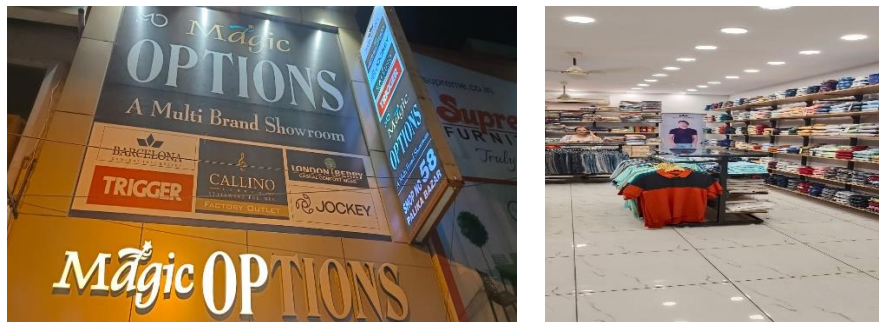
Portal	For the period ended January 31, 2022 (₹ in lakh)	% of Total Revenue	Fiscal 2021 (₹ in lakh)	% of Total Revenue	Fiscal 2020 (₹ in lakh)	% of Total Revenue	Fiscal 2019 (₹ in lakh)	% of Total Revenue
Online Marketplace								
- Flipkart	0.64	0.01%	-	-	-	-	-	-
- Amazon	-	-	-	-	-	-	-	-
- Meesho	1.84	0.03%	-	-	-	-	-	-
Barcelona Website i.e. www.barcelonacub.in	25.90	0.44%	-	-	-	-	-	-
Mobile B2B Application	27.29	0.47%	-	-	-	-	-	-
Total	55.67	0.95%	-	-	-	-	-	-

Pictures of some of our Store Models

Exclusive Brand Stores (EBOs)



Shop-in-Shop Stores (SiS)



The Stores are located in various cities of Gujarat, Maharashtra, Uttar Pradesh, Madhya Pradesh, Rajasthan, Bihar, Chhattisgarh, Haryana, Delhi, Uttarakhand etc.

From the year 2021 our Company started dealing in women's clothing and apparel under the brand name "**TRIDHYA**". The Company has retail store in the name of Tridhya at Ahmedabad, Gujarat location which is fully managed, financed and controlled directly by the Company and its personnel. The Company also possesses a Registered Trademark of **TRIDHYA** pertaining to class 25.

Our Capabilities

In addition to our brands with their market positions, multi-channel approach and robust network of stores and online infrastructure, we have built a strong set of capabilities and key enablers, including (i) product design, (ii) sales and marketing and (iii) a dedicated and highly experienced management team, which we believe would be challenging for new and existing market participants to replicate. These capabilities allow us to tap into emerging opportunities within our market segments and will allow us to approach wider market opportunities that are available in other adjacent consumer categories.

Product Design

Our flagship brand BARCELONA has been a ‘category creator’ in the Men’s Indian wear segment for over 3 years. In order to offer new and varied products to our customers throughout the year, we focus on creating innovative designs with an emphasis on quality. Our design and development process involves deep understanding of the needs of the customers, detailed analysis and research on prevailing fashion trends and consumer tastes and preferences which we collect through various system-driven processes, including data analysis, market surveys and feedback received from our artisans and vendors. We also have direct access to our customer preferences through our EBO network, online channels and associated feedback mechanisms.

We have an in-house design and merchandising team with a deep understanding of customer requirements and strong market research and data analysis capabilities, with the ability to design and develop products across all our categories. As of January 31, 2022, our design team and our retail merchandising team consisted of 8 members. These teams, together, carry out our institutionalized product development process, which includes data analysis, research and trend forecasting, concept and story development, design sketching, styling, sample development and presenting ideas to our management team for their review and inputs. We design and release products for each of the two principal fashion seasons every year, spring/summer and autumn/winter.

We have a robust screening and selection process for all new design samples, and once a new design is introduced to the market. As of January 31, 2022, our in-house design and merchandising team had created various styles since 2019.

Sales & Marketing

We produce distinctive marketing and advertising campaigns that generate high customer engagement. We have invested significantly in digital marketing initiatives to build our presence online (including advertising on social media and collaborations with influencers).

Our marketing and advertising initiatives also include digital advertisements such as advertisements on social media channels, in order to connect with a larger customer base. We believe our digital marketing and advertising initiatives shall drive well brand recall rate and shall boost our revenue from online channels.

Our sales and marketing strategies aim to increase brand awareness, acquire new customers, market new concepts, drive customer traffic across our retail channels and strengthen and reinforce our brand image. Our revenue from different stores from different states are as follows:

Exclusive Brand Outlets (EBOs):

State	No. of stores	For the period ended January 31, 2022 (₹ in lakh)	% of Total Revenue	No. of stores	Fiscal 2021 (₹ in lakh)	% of Total Revenue	No. of stores	Fiscal 2020 (₹ in lakh)	% of Total Revenue	Fiscal 2019 (₹ in lakh)	% of Total Revenue
Bihar	6	29.65	0.51%	1	0.41	0.03%	-	-	-	-	-
Chhattisgarh	1	8.62	0.15%	-	-	-	-	-	-	-	-
Jharkhand	4	15.78	0.27%	1	8.67	0.70%	1	6.24	0.92%	-	-
Gujarat	16	151.79	2.60%	8	26.03	2.11%	2	11.36	1.67%	-	-
Maharashtra	4	54.75	0.94%	-	-	-	1	5.10	0.75%	-	-
Delhi	1	47.84	0.82%	-	-	-	-	-	-	-	-
Haryana	8	87.76	1.50%	1	2.08	0.17%	-	-	-	-	-
Uttar Pradesh	15	135.04	2.31%	1	13.35	1.08%	1	8.48	1.25%	-	-
Madhya Pradesh	8	59.15	1.01%	3	7.77	0.63%	-	-	-	-	-
Punjab	1	3.82	0.07%	-	-	-	-	-	-	-	-

State	No. of stores	For the period ended January 31, 2022 (₹ in lakh)	% of Total Revenue	No. of stores	Fiscal 2021 (₹ in lakh)	% of Total Revenue	No. of stores	Fiscal 2020 (₹ in lakh)	% of Total Revenue	Fiscal 2019 (₹ in lakh)	% of Total Revenue
Rajasthan	16	159.47	2.73%	11	18.61	1.51%	-	-	-	-	-
Uttarakhand	1	26.90	0.46%	-	-	-	-	-	-	-	-
Total	81	780.57	13.37%	26	76.92	6.24%	5	31.17	4.58%	-	-

* Revenue is considered as per operational stores during the year, including the stores which has been closed after the period

Shop-in-Shop Stores (SiS)

State	No. of stores	For the period ended January 31, 2022 (₹ in lakh)	% of Total Revenue	No. of stores	Fiscal 2021 (₹ in lakh)	% of Total Revenue	No. of stores	Fiscal 2020 (₹ in lakh)	% of Total Revenue	Fiscal 2019 (₹ in lakh)	% of Total Revenue
Delhi	1	4.17	0.07%	-	-	-	-	-	-	-	-
Haryana	2	2.93	0.05%	-	-	-	-	-	-	-	-
Jharkhand	1	1.00	0.02%	-	-	-	-	-	-	-	-
West Bengal	1	4.73	0.08%	-	-	-	-	-	-	-	-
Punjab	1	0.25	0.004%	-	-	-	-	-	-	-	-
Rajasthan	1	4.10	0.07%	-	-	-	-	-	-	-	-
Total	7	17.18	0.29%	-	-	-	-	-	-	-	-

Our Founder and Team

We commenced operations in 2015 and are now led by Jaimin Kailash Gupta, Managing Director, who has been intimately involved in the business for 7 years, has overseen the development of our business strategy and has extensive expertise in sourcing, designing, retailing and establishing distribution channel partnerships. Jaimin Kailash Gupta is the architect of our strategic vision and has demonstrated his ability to successfully create, build and grow our brands and business. Furthermore, we are also supported by a strong and experienced management team of cross-functional professionals with expertise covering all aspects of our business, an experienced Board of Directors and marquee investors.

Impact of COVID-19 on our Business Operations

Our business and operations could be adversely affected by health epidemics, including the ongoing COVID-19 pandemic, that affect the markets and communities in which we, our franchisees and suppliers operate, and our customers are located. See “Risk Factors – Internal Risks – Risks Related to Our Business – The COVID-19 pandemic or any future pandemic or widespread public health emergency could adversely affect our business, financial condition, cash flows and results of operations” on page 25.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India, where a significant portion of our operations are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a “notified disaster” for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown from March 25, 2020. The nationwide lockdown lasted until May 31, 2020, and has since been extended periodically in varying degrees by state governments and local administrations. The lifting of the lockdowns across various regions had been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Recently, from March 2021 to date, 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. This “second wave” and its associated lockdowns have affected us in terms of reducing our sales, revenue and stores expansion, as well as disrupting our supply chains. As a result of the detection of new 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, which may adversely affect our business operations.

There remains significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government of India, which makes it impossible for us to predict with certainty the impact that the COVID-19 pandemic will have on our business, financial condition, results of operations and cash flows in the future.

The COVID-19 pandemic has affected and may continue to affect our business, financial condition, results of operations and cash flows in a number of ways such as:

- government measures related to the COVID-19 pandemic include restrictions on holding large-scale weddings and celebrations (including festivals), travel and business operations, and advising or requiring individuals to limit their time outside of their homes, thereby affecting customer demand for our products, resulting in a significant decrease in the number of customers that visit our physical stores to purchase our products;
- causing disruptions to our supply chains (such as our ability to procure materials), reducing our ability to fulfil orders in a timely manner, disrupting the efficient operation of our warehouses and jobbers’ manufacturing operations, affecting the ability of our delivery partners to make deliveries or of our sellers to initiate the delivery due to various restrictive measures imposed by governmental authorities;
- our stores, our office and our warehouse were not operating during the lockdowns, or were operating under the applicable restrictions, which included modifying our operations and adjusting our services. For example, our fulfilment and delivery operations require social distancing measures and system-wide use of personal protective equipment. Shopping malls, in which certain of the franchisee-owned EBOs, LFSs, MBOs, SiSs that sell our products were operating, were also closed during the lockdowns and operating under restrictions as imposed thereafter; and
- disruptions to our expansion plans, including for opening new stores and closing down of existing stores due to lockdowns and restrictions, as well as the poor economic environment and consumer confidence.

Our management has made an initial assessment, based on the current situation of the likely impact of the COVID-19 pandemic on the overall economic environment and us, in particular, and based on which it does not expect further reduction in demand of our products and any challenge in our ability to continue as a going concern or meeting our financial obligations or in the recoverability and carrying value of our property, plant and equipment, goodwill, other intangible assets, and other financial statement captions. The above evaluations are based on information available till date, which is very dynamic and subject to uncertainties that the COVID-19 pandemic might pose on economic recovery.

The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency, impacts our business, financial condition and results of operations is uncertain. Such effects will depend on numerous evolving factors that we may not be able to accurately predict, including the scope, severity, and duration of the pandemic; actions taken by governments, businesses and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure and product development projects; disruptions or restrictions on our employees’, franchisees’, jobbers’ and suppliers’ ability to work, operate and travel as well as their business continuity plans; and any extended period of remote work arrangements. While we do not expect significant further reductions in the demand of our products, we continue to closely monitor developments relating to the COVID-19 pandemic and the effects they have on future economic conditions and on our business and operations closely. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may materially and adversely impact our business, financial condition, results of operations and cash flows.

Our Customers

The following is the breakup of the top ten customers/suppliers of our Company for the Fiscal 2021, 2020 and 2019 are as follows:

(₹ In lakh)

Particulars*	FY 2020-21		FY 2019-20		FY 2018-19	
	Amount	In %	Amount	In %	Amount	In %
Customers						
Top 5 Customers	944.95	76.65	615.85	90.46	211.11	69.46
Top 10 Customers	1083.17	87.86	632.68	92.94	274.70	90.39
Suppliers						
Top 5 Suppliers	746.61	59.00	664.32	92.40	178.78	60.80
Top 10 Suppliers	806.23	63.71	685.06	95.29	211.63	71.97

* as certified by Statutory Auditor of the Company, pursuant to certificate dated May 17, 2022

OUR COMPETITIVE STRENGTHS:

The Company has firmly established itself in the textile and fashion segment through its chain of franchises and distributors. Its designs and strict adherence to quality control has made it possible for the company to provide premier quality apparel to its customers at affordable prices. Some of the specific strengths of the Company are provided as below:

Wide market Outreach

The Company currently operates 85 stores in over 50 cities across India, some through franchises, and some directly. The Company is presently targeting Tier-2 and Tier-3 cities by providing affordable yet stylish apparel to a wide range of customers.

Catering to a range of Customer preferences

Textile and fashion are a fast-paced segment that is continuously adapting to the latest trends. Our Company through its designers always remains ahead of the trend by delivering the latest designs to the customers at competitive prices.

Distinguished Board and Senior Management with vast experience in the business

The Board of the Company consists of persons who have years of experience in the field of textile business. Thus, the directors are well aware of the opportunities and possible risks that the business can face in the upcoming future. This enables the company to prepare for such threats. The vast experience of the senior management gives the Company an edge over most of its new age competitors who often lack the necessary experience.

Smooth flow of operations:

Established relationship with customers and suppliers ensures stability in demand and an uninterrupted supply of raw materials. We have maintained long-standing relationship with our major customers. We are successful in building a strong client base for our business. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

Wide range of Products:

We provide a broad range of products to our customers which increases the scope of our customers and our ability to cater to a diversified clientele base. We make our best efforts to deliver the stocks of materials to the retail franchise stores on-time for the availability of our customers.

Product	Quantity	For the period ended January 31, 2022 (₹ in lakh)	Quantity	Fiscal 2021 (₹ in lakh)	Quantity	Fiscal 2020 (₹ in lakh)	Quantity	Fiscal 2019 (₹ in lakh)
Fabric (in meters)	24,68,956	3,858.88	5,50,049	763.41	5,47,203	559.73	1,81,940	180.35
Denim Pants (in nos.)	23,189	752.16	32,986	139.81	10,977	47.2	10,302	50.48
Men's Shirts (in nos.)	31,679	475.05	35,400	95.59	8,645	24.2	10,189	29.55
Men's T-Shirts (in nos.)	10,381	118.76	16,622	38.23	7,564	18.15	4,397	12.31
Formal/Casual Pants	8,534	197.94	11,214	42.06	5,030	19.36	4,987	19.7
Accessories & Other (in nos.)	17,800	435.3	51,886	73.49	8,068	12.09	6,926	11.53
Total		5,838.09		1,152.09		680.73		303.92

Our Business Strategy:

Focus on Increase in Volume of Sales:

As part of our growth strategy, we intend to focus on increase in volume of sales by increasing our area of operation.

The tables below sets forth indicates increasing in area of operation:

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	As on January 2022	As on March 2022	As on May 2022
New stores opened during the fiscal year	-	5	22	57	13	12
Stores Closed	-	(1)	(2)	(15)	(3)	(3)
Total Stores	-	4	24	66	76	85
Total Cities	-	4	20	54	63	67
Average Store Area	-	540.8 sq.ft.	623.7 sq.ft.	701 sq.ft.	692.4 sq.ft.	712 sq.ft.

Quality Assurance:

We will continue to maintain quality of our existing product to cater to various customers in the market. We endeavour to maintain the quality of our products, and follow strict procedures to ensure quality control, timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees which will help to increase the sales of the Company and retain customers.

Increase geographical presence:

Going forward we plan to establish our presence in the more regions. Our emphasis is on expanding the scale of our operations as well as growing our supply chain network, which we believe will provide attractive opportunities to grow our client base and revenues.

Leverage and enhance our brand name:

We believe that our brand commands a recall amongst the consumers in the areas where we operate due to its image and goodwill established over the years. We intend to leverage the brand equity that we enjoy.

Improving operational efficiencies:

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We will be addressing the increase in operational output through continuous process improvements, quality check and technology development. Our employees are regularly motivated to increase efficiency with error free exercise. We believe that this can be done through continuous process improvements. Further we believe that this can be done through domestic presence and economies of scale. We believe in strong in-house management to control the entire process. It controls costs by eliminating unnecessary intermediaries for procuring materials in cost efficient manner by optimizing logistics and maximizing labour efficiency.

Leveraging our Market skills and Relationships:

This 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. We plan to increase our customers by meeting contracts in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

THREATS:***Heavy Dependence on Suppliers in the local markets***

The Company currently sources its raw fabric from the local markets of Ahmedabad. However, there is no agreement with any of the suppliers. Thus, the company heavily relies on the supply of raw materials in the local market.

Outsourced Job Works

The Company outsources its job work to entities in Mumbai, New Delhi, Punjab and Ahmedabad. While the job work and branding are heavily supervised by company personnel as a part of its quality control measure, heavy reliance on extraneous entities can pose a risk in the event of failure on their part to deliver.

Rising Inflation and Other Factors

As the country faces successive waves of COVID 19, raw material supply continues to be scarce. The cost of materials for production continues to rise, along with increase in other expenses in order to enable the Company abide by Governmental regulations to restrict the spread of the virus. In spite of lockdowns, the Company has continued to bear its recurring expenses which have increased its overall expenditure. However, the Company is steadfast in its goal to deliver the best quality products at affordable prices. While the business is profitable, this may pose to be a threat to the Company in future.

Fast Changing Product Market

The textile and fashion industry is constantly changing with the latest trends and consumer demands. Lately, there are innumerable entrants in the market, making it a highly competitive sector. This poses a constant threat to any player in this industry.

E-Commerce Platform

The E-Commerce segment has gained huge popularity in the last few years, especially owing to the pandemic. There are several established large-scale players in the textile industry who dominate the e-commerce sector. The Company has not yet tapped into this segment. While this remains one of the future prospects of the Company, till the same is realized, the e-commerce players having a wider market outreach pose a significant threat to the Company.

SWOT Analysis:

Strengths

- Established operations and proven track record
- Quality Assurance and Standards
- Experienced Management Team
- Satisfied customer with quality and service
- Smooth flow of operations
- Strong business model

Weakness

- Insufficient market reach
- Heavy dependence on suppliers
- High working capital requirement
- Limited pricing power due to fragmentation in the industry
- Weak working capital management

Opportunities

- Growing acceptance by consumers
- Rise in demands
- Opportunities in Indian Market
- Government Initiatives
- Investment Opportunities

Threats

- Increase Competition from Big Players
- Change in Government Policies
- Rising labour wages
- Margins may be constrained in the future
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants

Suppliers

We have a reasonably good network of suppliers from whom we directly procure the fabrics, used to manufacture our products. As of January 31, 2022, our top 10 suppliers contributed to 71.97% from whom we regularly source our raw materials for manufacturing and other finished goods. We have a dedicated sourcing team that is responsible for sourcing raw materials used to manufacture our products according to our procurement standards, and to monitor the manufacturing of our finished products. By virtue of our established presence in the industry and longstanding relationships with our vendors, we believe that we have developed significant recognition and goodwill in the market and are able to place large purchase orders directly with our suppliers. All orders placed by us are based on internal demand projections, carried out over in advance of the estimated delivery date of the final product.

Manufacturing and Distribution Infrastructure

Our procurement, outsourced manufacturing, supply chain and distribution processes are based upon data analytics, with every stage being system-driven. This includes the procurement of materials, allocation of manufacturing to different outsourced factories, inventory management and store replenishment. As a result, we are able to accurately forecast, plan and optimize our operations and ensure that we can meet the needs of our customers. We operate a fully integrated supply chain with high-end quality control standards in the procurement of fabric, an essential component used for the manufacturing of our products.

Our manufacturing process is outsourced which provides an attractive return on capital for our business. We engage our manufacturers on contract, so as to maintain our low-cost business model, and production is allocated on a purchase order basis. The factories provide us with manufacturing services strictly in compliance our quality standards and requirements. We have longstanding relationships with these manufacturers.

We also directly procure finished products, such as Denim Pants, Men's Shirts, Men's T-Shirts, Formal/Casual Pants, from third party manufacturers which, once delivered to our centralised warehouse, undergo stringent quality checks. After passing these checks, the goods are dispatched to our EBOs and for our online retail inventory. Our inventory management processes allow for system-driven distribution and replenishment of inventory and management of our product portfolio through data-driven forecasting of evolving fashion trends across India.

Product Pricing

We arrive at a pricing point for each of our products through a detailed mechanism that takes into consideration a range of factors, including seasonal trends and costs incurred in connection with procurement, production, marketing and other ancillary expenses. Our products are uniformly priced across our EBOs, LFSs, MBOs and the online channel, subject to

seasonal trends and discounts, and we strive to ensure that our products remain aspirational yet value for money for our customers. We exclusively manage and regulate the prices at which our products are sold across our EBOs, LFSs and MBOs and the online channel.

Design and Merchandising

Inhouse Team: We have well equipped and skilled designing and production team. From designing of fabric and garments to making sure production as per our requirements are done, the whole process is taken up by in-house team.

The process starts with requirements of category of products coming from our buyers and store sales, then after the merchandising team plans the SKU range, price range as our target audience and designing of product begins. Samples as per the designs made are prepared from our manufacturing partners which are afterwards provided to the sales and store operation team to review the viability of the product. Once reviewed the same is planned for mass production as per our quantities required.

Product designing is very important part of our business, considering the same, we already have an experienced team for product designing which gives us an advantage to analyze before taking up any production plan.

The whole merchandising process is closely monitored and directed by the top management to make sure right products are delivered at the store. We have been working with multiple vendors for multiple categories as we have more than 1 vendor for each category so we have advantage of price negotiation with the supplier on clear terms.

Our design team stays sharp by getting various inputs channeling new information into their creative tanks. Our in-house design team has love for the product and the process too. With so many different products populating store shelves, sometimes retailers are understandably less concerned with perfect product presentation than they are with sales and profit. Where retailers fall short our merchandising team picks up the slack by focusing on retailer compliance strategies. They have made a habit to monitor POP displays, check for product voids, and address any issues of product misplacement with a store manager.

Below are some of the responsibilities our merchandising and designing team fulfils:

- Collaborating with suppliers, manufacturers, and retailers to ensure proper execution of merchandising plans
- Ensuring retailer compliance with merchandising strategies
- Gathering information on market trends and customers' reactions to products
- Analyzing sales data - reporting growth, expansion, and change in markets

Market research and data analysis: The Indian retail industry is driven through many factors and the Indian consumers are influenced through many driving factors such as design of the product, geographical acceptance of the product, pricing of product, durability of the product and strength of the product. To make sure we have all the parameters matched we have our internal research of the product before launching any product.

As we have stores in multiple regions, products are to be prepared as per the geographical trend in Men's wear category. The merchandising team has been provided with many options to run research on any product before launching it in the market.

The sales team being on the field has more understanding of consumer's demand. So, first reviews are shared by the sales team to the merchandising team, thereafter the merchandising team does market research.

Merchandising takes into account how our products come across to consumers as they interact with them in a retail setting, and applies certain techniques to make those interactions as impactful as possible. It consists of activities carried out by both marketing and sales, such as organizing shelves, setting up promotional displays, and tracking results of merchandising efforts. The biggest advantage of an in-house design team is that it enhances the relationships with the clients. One of the joys in working with an in-house design team is they are immersed in our brand. They understand the brand, our business, how one wants to be perceived by consumers, marketing goals—and they make sure that every decision reflects our brand. Each designer on the in-house design team brings unique industry experience and knowledge, which benefits from time after time. An in-house design team allows for the flexibility needed to move projects around or shift work to available designers. When an in-house design team tells it will take a certain amount of time, one can be rest assured, knowing we are getting a quality product without the inflated timeline.

Apparel is a fundamentally art-based business that will always require creative direction to ensure that products remain innovative, relevant, and beautiful for the consumer.

The value of Brand for an in-house design team is the most important part. This goes beyond simply creating brand guidelines and defining strategy, to actively controlling what is produced and distributed externally.

Sourcing and manufacturing network

Stitched Textiles Limited has network of sourcing partners Pan India. The company purchases fabrics from Ahmedabad and garments from various manufacturers mainly from Mumbai, New Delhi, Punjab, Gujarat and Ahmedabad. Further after purchasing fabric and garment, it is sent to our job working partners, whereas per specification provided, cutting and production of garments is done. Our company is required to keep adequate stock as per the trends running in different regions of India. Our company has developed network of suppliers to keep continuous supply of products to make sure that adequate production is always running as to match the sales of the company. Our company has also managed to keep adequate stock to fulfil future requirements. Our company also purchases garments made to manufacture in our brand Barcelona as per our specifications and which is further sold mainly through Exclusive Brand outlets and also through online sales.

For different product category different suppliers from different regions are required so as to ensure quality supply of goods. In view of the same, our Company has network of suppliers in Mumbai, New Delhi, Punjab, Gujarat and Ahmedabad etc. Sourcing of products are done as per the requirement of the merchandising team. To ensure quality of products our company has been working with same suppliers since a long time as to maintain the consistency in the products and match the demand. As many of the manufacturing partners are well known to the Promoters and directors, our company has always enjoyed a good business relation with all its suppliers. Besides sourcing of major products many small products are also procured from SME's and local small suppliers to get immediate availability of products. Accessories are also sourced from local markets.

Inventory and logistics

The company has adequate storage capacity for its inventory holding located at the heart of industrial sector Narol, Ahmedabad. The warehouse is spread across 9000sq. ft. of carpet area with main highway road connectivity. The warehouse has proper Electricity supply, Electrical fittings, IT infra as computers, printers, scanners for the team to effectively work. The warehouse also has 190 Storage racks which gives approx storing capacity of more than 25,000 garments and also adequate space to stock more than 20,000 meters of fabric.

As the warehouse is located in industrial area and to the main road highway transportation facility of inward and supply to stores is available very easily. Labours as and when required are available from local area as to manage the loading and unloading of transport vehicles. Any stock inward is first received at warehouse and quantity is confirmed. After which it is stacked as per the product category and dispatch is done regularly as per the requirements from buyers and stores.

As on January 31, 2022 (₹ in lakh)	Fiscal 2021 (₹ in lakh)	Fiscal 2020 (₹ in lakh)	Fiscal 2019 (₹ in lakh)
1,080.87	379.38	210.50	91.59

Quality Control and Quality Assurance

We are committed to maintaining high quality standards throughout our sourcing, manufacturing and distribution cycles, and have established quality control measures in various facets of our supply chain, including fabric and garment inspections, quality audits and product quality tracking. We retain control over quality of manufacturing by procuring and providing all raw materials including but not limited to fabrics and other accessories.

In addition, as part of our quality control measures, we regularly inspect the premises, facilities and the manufacturing processes of our factories and require them to return all unutilized raw materials. We have a dedicated quality assurance team responsible for ensuring compliance with our established quality standards. Moreover, to ensure compliance with our quality management systems and statutory and regulatory compliance, we offer training workshops to our staff on quality standards of our brands and products.

Competition

At the time of commencement of our operations, we entered a largely unorganised market. Over the years, we have expanded our product offerings beyond Menswear to other categories, and shall attempt to be one of the top brands in the Indian menswear market. Our products compete with local retailers, online retailers, non-branded products, economy brands and products of other established brands.

Sales and Marketing

Our company has made expenditure towards Advertisement, Branding and Business Promotion amounting to ₹ 107.04 lakh, ₹ 3.69 lakh, ₹ 7.76 lakh and ₹ 2.86 lakh comprising 1.87%, 0.30%, 1.14% and 0.94% for the ten months period ended January 31, 2022, for the financial period ended March 31, 2021, March 31, 2020 and March 31, 2019 respectively.

Internet Marketing: Internet marketing, or online marketing, combines web and email to advertise and drive e-commerce sales. Social media platforms are included to leverage brand presence and promote our brand products. In total, these efforts are used by us in conjunction with traditional advertising formats like radio, television, and print media.

There's also a lot to be said about online reviews and opinions. Word-of-mouth advertising is unpaid, organic, and powerful because those people who have nice things to say about our product generally have nothing to gain from it other than sharing good news. A recommendation from a friend, colleague, or family member has built-in credibility and has spur dozens of leads who anticipate positive experiences with our brand. We strategize ad-campaigns, website and also performance marketing on every digital media platform.

EMAIL/SMS Marketing: Email/SMS marketing has proven to be a highly effective way to nurture and convert leads for our brand. We have been using it as a component of a larger internet marketing initiative.

Industry Events/B2B Marketing: In-person and online tradeshow has remained a top B2B networking tool, due to gathering of companies into one location, whether physical or virtual, to connect and demonstrate our latest products. Trade shows give us the chance to establish or strengthen relationships with key industry partners, customers, and prospects; identify market trends and opportunities; and gain an understanding of what our competitors are offering in the market.

Our B2B App strategy is based on expanding sales team at PAN India level. Our sales team gives free products to retailers for their first order. To boost sales, we run discount offers for retailers.

Furthermore, we provide branding materials, posters, standees and enable virtual presence in and around the store for ease in customer's engagement with the retail store.

Social Media Marketing: Social media marketing has resulted in increased visibility and website traffic. Social media sharing of content, videos, and images has also influenced SEO efforts in that, they have increased relevancy in search results within social media networks like Facebook, Twitter, LinkedIn and Instagram as well as search engines like Google and Yahoo. Social media marketing has proved effective to us because it has:

- Reduced our marketing spend while increased lead generation.
- It has given us an additional marketplace insight.

EBO/MBO Level Marketing: Our Company provides stock through all the portals for ease in customer reach i.e. EBO, MBO, B2B App, E-commerce platforms and our website. For Store level marketing we carry our leaflet distribution within periphery of 3 kms around the retail store. For increase in visibility, we place standees, posters and huge sized brand name's board outside the store.

Future Outlook for Marketing Strategy: We are planning mass level activity like paper advertisement, high level social media marketing, radio marketing, TV commercials and reality shows. The territory of distributing marketing leaflets will be expanded to 6kms, along with quantity of leaflets. Our primary focus will be more on TV commercials, news channels, reality shows and such other high end marketing tools.

Plant and Machinery:

Our Company does not have any plant and machinery as our Company is not having any Manufacturing Facility.

Employees

An effective and efficient human resource are a key to the success of any organization and our Company has been well focused in adopting the best standards in the industry which not only gives us the benefit of attracting good talent but gives us an edge towards providing best qualitative services to our customers. Our manpower is a mix of experienced and young talent pool of resources which gives us the dual advantage of stability and growth. Our work processes and /skilled resources together with our strong management team have enabled us to successfully implement our growth plans. Our dedicated staff members are the backbone of our successes and none of the milestones would have been possible without immense contribution and dedication on their part. The details of department wise number of employees are given here below:

Departments	No. of Employees
Supply Chain	3
Production & Procurement	7
Customer Relations	3
Finance, Legal & Secretarial	3
Design & Merchandising (including Artisans)	8
Human Resource	1
Information Technology	1
Sales and Marketing	59
B2B app admin support	40
BDM – Franchise	8
E-com Team	1
Retail Store Manager	33
Retail Support Team	10
Total	177

The management of Stitched Textiles Limited plays an imperative role in developing a cordial and rewarding relationship with its employees. We are committed to being the employer of choice, attracting and retaining the best of professionals. By developing a structure, systems and a workplace culture that provides challenging jobs, rewards performance and delivers opportunities continuously, the group is striving to get the best out of its most valuable asset - its people. Powering that quest is an entire range of human resource initiatives aimed at realizing its potential.

Insurance

Policy No	Type of Policy	Policy Period	Nature of Coverage	Policy Issuing Office	Total Sum Assured
47961740	Trade Protector Policy (Laghu Udyam)	From: 12/03/2022 To: 11/03/2023	Fire, Burglary and other allied services Location: Stores	IFFCO - TOKIO General Insurance Co. Ltd.	₹ 538.21 lakh
12466329	Bharat Sookshma Udyam Suraksha	From: 08/06/2022 To: 07/06/2023	Storage of Category I Hazardous Goods Location: Warehouse	IFFCO - TOKIO General Insurance Co. Ltd.	₹ 200.00 lakh

Intellectual Property

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database, website content and technology.

Our company is using trademark logo  for which our Group Company M/s. Vaxtex Cotfab Limited has applied for Trademark Registration on November 25, 2020 which has been 'Accepted & Advertised' as on date of DRHP. However, our Company has also applied for the trademark registration as details mentioned below. Our Company has received NOC for usage right of logo from M/s. Vaxtex Cotfab Limited.

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
1		25	Device	Vaxtex Cotfab Limited	4756133	25/11/2020	Accepted & Advertised
2		9	Device	Stitched Textiles Limited	5359024	07/03/2022	Objected
3		25	Device	Stitched Textiles Limited	5359025	07/03/2022	Objected
4		26	Device	Stitched Textiles Limited	5359026	07/03/2022	Objected
5		35	Device	Stitched Textiles Limited	5359027	07/03/2022	Objected
6		42	Device	Stitched Textiles Limited	5359028	07/03/2022	Objected
7		25	Device	Stitched Textiles Private Limited	5069793	02/08/2021	Registered on 23/02/2022 & Valid till 02/08/2031
8		25	Device	Stitched Textiles Private Limited	4734500	06/11/2020	Registered on 06/05/2021 & Valid till 06/11/2030
9		25	Device	Stitched Textiles Private Limited	4734499	06/11/2020	Registered on 27/06/2021 & Valid till 06/11/2030

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
10	BRAND CLUB	35	Device	Stitched Textiles Private Limited	4734501	06/11/2020	Accepted & Advertised

Properties

Freehold Properties

Sl. No.	Details of Agreement	Particulars of the Property	Usage
1.	Deed of Conveyance dated May 07, 2022 between Narayana Education Private Limited (“Vendor”) and Stitched Textiles Limited and Ms. Kresha Gupta (“Purchaser”)	Non-Agricultural Land bearing Survey No. 1284/9 paiki 9 admeasuring about 372 sq.mtr. or thereabouts now given in Final Plot No. 4/9 in Draft Town Planning Scheme No. 27 and Flat No. 1 on 1 st Floor, with construction admeasuring about 141.28 sq.mtr. Flat No. 3 on 3 rd Floor with construction admeasuring about 141.28 sq.mtr. and Flat No. 4 on 4 th Floor with construction admeasuring about 141.28 sq. mtr. in altogether total 565.12 sq.mtr.	Registered Office

Rented Properties

Sl. No.	Details of the Deed/ Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Leave and License Agreement dated January 10, 2022 between Parth Pankajbhai Thakkar and Others (“First Party”) and Stitched Textiles Private Limited (“Second Party”)	Survey No. 234 Part No. 1, Sub-plot No. 2, T.P. No. 63 for which allotted plot No. 69/3 paiki admeasuring about 411.06 Sq. Mtr. Within District Ahmedabad, Sub District Ahmedabad (Narol)	₹ 1,00,000/- per month	1 year 29 days commencing from January 15, 2022	Warehouse

Information Technology

We believe that a robust IT infrastructure is essential for ensuring strong operational efficiencies and enhancing productivity and we continue to focus on building and improving our IT capabilities. In order to better connect with our customers, we regularly update our websites and social media channels to include unique features through which our customers can better engage with our brands and products and can view digital catalogues with our diverse product offering.

The company has purchased and installed Tally ERP, and Prasyast Mpos for efficient management and operations of our stores network and effective inventory management. The ERP software has a Head office version installed at our head office which controls all the retail store software's. All the products inventory is uploaded in the software and packing slip as per store wise dispatch are sent to the retail software of that software.

The software is efficient to pull data on daily basis from the retails stores as to make sure all the data of sales, stock inward and outward is reflected in head office. The software also manages the inventory of the company as it gives proper analytics on the most selling products and non-moving products.

The company uses tally for its accounting purpose and all the invoices and banking is done in the accounts of tally. The company also has in-built server at head office to store data pulled from all the retail software's.

The company has launched one of its kind first ever B2B mobile application for Android and IOS users, specifically for the retailers to place bulk online order.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is an overview of certain sector specific relevant laws and regulations in India which are applicable to the operations of our Company. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by the Company, see “Government and Other Approvals” beginning on page no 266 of this draft red herring prospectus. The statements below are based on the current provisions of the Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

Depending upon the nature of the activities undertaken by our Company the following are the various regulations applicable to our company

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Approvals” beginning on page number 266 of this draft red herring prospectus.

INDUSTRY RELATED LAW:

National Textile Policy, 2000 (“NTP 2000”):

The NTP 2000 aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing and to equip the textile industry to withstand pressure of import penetration and maintain dominant presence in the domestic market. The industry aims at developing a strong and vibrant textile industry that can produce quality products at acceptable process. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 includes increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include raw materials, clothing, export and knitting.

Production-Linked Incentive Scheme in Textiles Products:

In November 2020, the Union Cabinet approved the introduction of the Production-Linked Incentive Scheme in Textiles Products to enhance India’s Manufacturing Capabilities as well as Exports. An amount of ₹10,683 crore has been approved as an outlay for a period of 5 years. This initiative will be implemented by the Ministry of Textile and is expected to cover forty product categories under man-made fibre.

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.

Shops and Establishments Acts of various states (collectively “S&E Acts”)

The S&E Acts in India are promulgated by the state and may slightly differ from state to state. All shops and commercial establishments operating within each state are covered by the respective S&E Acts. Shops are defined as premises where

goods are sold either by retail or wholesale or where services are rendered to customers, and includes an office, a store-room, godown, warehouse or workhouse or work place. Establishments are defined as shop, a commercial establishment, residential hotel, restaurant, eating-house, theatre or other places of public amusement or entertainment. Further, establishments as defined by the act may also include such other establishments as defined by the Government by notification in the Official Gazette. The S&E Acts regulates a number of aspects relating to the operation of a shop or commercial establishment. Some of the key areas regulated by the shop and establishment act include: hours of work, interval for rest and meals, prohibition of employment of children, employment of young person or women, opening and closing hours, close days, weekly holidays, wages for holidays, time and conditions of payment of wages, deductions from wages, leave policy, dismissal, cleanliness, lighting and ventilation, precautions against fire, accidents and record keeping.

Legal Metrology Act, 2009 (“Legal Metrology Act”):

The Legal Metrology Act came into effect on April 1, 2011 and has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act was enacted with the objectives 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 provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a licence issued by the controller. The Legal Metrology Act contains provisions for verification of prescribed weight or measure by Government approved test centre. Qualifications are prescribed for legal metrology officers appointed by the Central Government or State Government. It also provides for exemption regulations of weight or measure norms for goods manufactured exclusively for export. Fee is levied under the Legal Metrology Act for various services. A director may be nominated by a company who is responsible for complying with the provisions of the enactment. There is penalty for offences and provision for compounding of offences under the Legal Metrology Act. Further, it provides for appeal against the decision of various authorities and empowers the Government to make rules for enforcing the provisions of the enactment.

The Industrial Relations Code, 2020:

The new Code passed by the Parliament replaces and Consolidates three labour legislations, being The Industrial Disputes Act, 1947, The Trade Unions Act, 1926, and The Industrial Employment (Standing Orders) Act, 1946. It aims at consolidating and amending the laws relating to trade unions, conditions of employment in industrial establishments, investigation and settlement of industrial disputes. While it retains several provisions from the existing legal framework regarding retrenchment, lay-off, closure, industrial disputes, trade union recognition, etc., new requirements have been introduced to simplify as well as add more structure to the existing regulations.

The Code on Wages, 2019:

The new Code replaces the following four laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. Under the Act, the Central Government shall determine wage-related provisions in railways, mines, oil fields, etc, while the State Government is empowered to take such decisions in relation to other employments.

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 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 104 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 Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Public Liability Insurance Act, 1991 (“PLI Act”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Payment of Gratuity Act, 1972.
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- 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
- The Employees Compensation Act, 1923 (“EC Act”) and the rules framed thereunder
- Minimum Wages Act, 1948 (“MWA”) and the rules framed thereunder

Prevention of Black Marketing and Maintenance of Supplies Act, 1980:

Prevention of Black Marketing and Maintenance of Supplies Act, 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.

Bureau of Indian Standards Act, 2016 (the “BIS Act”)

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019, along with the Consumer Protection (E-Commerce) Rules, 2020 (“COPRA”) has superseded Consumer Protection Act, 1986 and came into force on July 20, 2020 and July 23, 2020, respectively. The COPRA has been promulgated to provide for the protection of consumers’ interests, to establish authorities for timely and effective administration, to settle consumers’ disputes and other connected matters. It provides for establishment of the Central Consumer Protection Council to render advice on the promotion and protection of consumers’ rights and the Central

Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices, and false or misleading advertisements which are prejudicial to the interests of public and consumers. The Consumer Disputes Redressal Commissions at the district, state, and national levels are also established under the COPRA. The COPRA also governs the online sale of goods, services, digital products by entities which own, operate, or manage digital or electronic facility or platform for electronic commerce, all models of e-commerce (including marketplace or inventory based), and all e-commerce sellers. It lays down the duties and liabilities of E-Commerce entities and e-commerce sellers.

ENVIRONMENTAL REGULATIONS:

Our Company is subject to Indian laws and regulations concerning environmental protection. The principal environmental regulations applicable to industries in India are the Water (Prevention and Control of Pollution) Act, 1974, the Water Access Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous Wastes (Management and Handling) Rules, 1989. Further, environmental regulations require a company to file an Environmental Impact Assessment (**EIA**) with the State Pollution Control Board (**PCB**) and the Ministry of Environment and Forests (**MEF**) before undertaking a project entailing the construction, development or modification of any plant, system or structure. If the PCB approves the project, the matter is referred to the MEF for its final determination. The estimated impact that a particular project might have on the environment is carefully evaluated before granting clearances. When granting clearance, conditions may be imposed and the approving authorities may direct variations to the proposed project.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 (-the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (-the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

The Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Pollution Cess Act”)

The Water Pollution Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries to augment the resources of the central pollution control board and state pollution control boards. The Water Pollution Cess Act also provides for a rebate to the extent of 25% of the cess payable, in favour of persons who, being liable to cess under the Water Pollution Cess Act, install any plant for the treatment of sewage or effluents. However, this rebate is not applicable to persons consuming water in excess of the maximum prescribed quantity or who fail to comply with the provisions of section 25 of the Water Act or who fail to adhere to standards laid down by the Central Government under the Environment Act.

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008:

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended (**Hazardous Wastes Rules**), which superseded the Hazardous Wastes (Management and Handling) Rules, 1989, state that the occupier will be responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment. The hazardous wastes generated in the establishment of the occupier should be sent or sold to a recycle or re-processor or re-user registered or authorized under the Hazardous Wastes Rules or should be disposed of in an authorized disposal facility. The Ministry of Environment and Forests has been empowered to deal with the trans-boundary movement of hazardous wastes and to grant permission for transit of hazardous wastes through any part of India. No import of hazardous waste is permitted in India. The State Government, occupier, operator of a facility or any association of the occupier will be individually or jointly or severally responsible for, and identify sites for, establishing the facility for treatment, storage and disposal of hazardous wastes for the State Government.

Plastic Waste Management Rules, 2016

The Ministry of Environment, Forest and Climate Change published the Plastic Waste Management Rules, 2016 with an aim to increase minimum thickness of plastic carry bags from 40 to 50 microns and stipulate minimum thickness of 50 micron for plastic sheets. It also aims at facilitating collection and recycling of plastic waste and delegates responsibility to the waste generators for waste segregation and disposal. The recently notified Plastic Waste Management (Amendment) Rules, 2018 also prescribes a central registration system for the registration of the producer/importer/brand owner.

INTELLECTUAL PROPERTY LEGISLATIONS:

In-general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trademarks Act, 1999
- Designs Act, 2000

Indian Patents Act, 1970:

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957:

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematography films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Designs Act, 2000

The Designs Act, 2000 along with the Design Rules, 2001 (“Design Laws”) govern design protection in India. The Design Laws were enacted to protect new or original designs from getting misappropriated. A design can only be registered under one specific class. The registered proprietor of the design shall have a copyright in the design for ten years which is extendable for another five years. The Design Laws permit the proprietor to file a suit for recovery of damage and as well as an injunction in the event of piracy of a registered design.

Trademarks Act, 1999 (“TM Act”):

The Trademarks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

FOREIGN INVESTMENT LAWS:

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy (“Consolidated FDI Policy”) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”) from time to time.

In terms of applicable regulations notified under FEMA and the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“SEBI FPI Regulations”), investments by Foreign Portfolio Investors (“FPIs”) in the capital of an Indian company under the SEBI FPI Regulations are subject to certain limits individual holding limits of 10% of the capital of the company per FPI and the aggregate holding limit of 24% of the capital of the company. However, the aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a resolution of the company’s board of directors, followed by a special resolution by the shareholders and prior intimation to the RBI.

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and license to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offense or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999 and regulations there under

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

As laid down by the FEM 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, 2017 (“FEM Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. 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 for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. The RBI, in exercise of its power under FEMA, has notified the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 which deals with exports, the declaration to be filed, the realization of export value, etc. The RBI amended these Regulations by introducing the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021 (the “Amendment Regulations”) through a notification dated January 08th, 2021 to introduce certain exemptions related to the aviation sector through the Amendment Regulations. In exercise of the powers conferred by section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and consequent to the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, the Reserve Bank has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instrument) Regulations, 2019 (“Principle Regulations”) relating to mode of payment and reporting requirements for investment in India by a person resident outside India. The RBI has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Amendment) Regulations, 2020 whereby amendment has been made to

Regulation 3.1 of the Principle Regulations which deals with the Mode of Payment and Remittance of sale proceeds in which Schedule II and Schedule VII was substituted. The RBI, also notified the Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations, 2015 to regulate opening and maintenance of foreign currency accounts in and outside India by a person resident in India. The RBI passed a notification dated February 27th, 2019 amending the regulations by passing the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Amendment) Regulations, 2019 amending regulation applicable to authorized dealers.

The Foreign Direct Investment

The Government of India has from time to time made policy pronouncements on Foreign Direct Investments (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (“DPIIT”) issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

GENERAL CORPORATE COMPLIANCE:

The Companies Act 1956 and the Companies Act, 2013:

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

EMPLOYMENT AND LABOUR LAWS:

Employees Deposit Linked Insurance Scheme, 1976:

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer’s contribution and also Central Government’s contribution to the insurance fund shall be credited to an account called as “Deposit-Linked Insurance Fund Account.”

The Employees Pension Scheme, 1995:

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

TAX RELATED LEGISLATIONS***Goods and Service Tax (GST):***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cess relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

OTHER LAWS***Municipality Laws:***

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Police Laws:

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

Approvals from Local Authorities:

Setting up of a Factory or Manufacturing/Housing unit/Establishments entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

The Indian Contract Act, 1872:

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

Transfer of Property Act, 1882:

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908:

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

HISTORY AND CERTAIN CORPORATE MATTERS

History and Background

Our Company was originally incorporated as “*Stitched Textiles (OPC) Private Limited*”, a One Person Company on November 02, 2015 vide a fresh Certificate of Incorporation bearing Corporate Identity No. U17120GJ2015OPC084962 under the provisions of Companies Act, 2013 issued by Registrar of Companies, Ahmedabad. Subsequently, the One Person Company converted to Private Limited Company as “*Stitched Textiles Private Limited*” on November 11, 2019 vide certificate of incorporation bearing Corporate Identity No. U17120GJ2015PTC084962 under the provisions of Companies Act, 2013 issued by the RoC-Ahmedabad. Subsequently, the company was converted into Public Limited Company vide a fresh certificate of incorporation issued by ROC-Ahmedabad, consequent upon conversion from Private Limited to Public Company dated February 11, 2022 in the name of “*Stitched Textiles Limited*” vide Corporate Identification Number U17120GJ2015PLC084962.

Our company was initially established in the year 2015 as One Person Company Stitched Textiles (OPC) Private Limited founded by Mr. Jaimin Kailash Gupta and later expanded its operations and converted to Stitched Textiles Private Limited in the year 2019 and later in 2022, it was converted to a public limited Company by the name Stitched Textiles Limited. Our Company is well known by the brand name “BARCELONA” which personifies style, attitude, luxury and comfort.

Our Company is mainly into Menswear and deals in Suiting and shirting fabrics along with Garments in product categories such as Shirts, Denims, T-shirts, trousers, Cotton pants, Accessories etc. and operates 85 stores in franchisee model in more than 50 cities in India, as of now.

Changes in Registered Office of the Company since incorporation

Date	Details of Registered Office	Reason for Change
At Incorporation	21, D-Block, Galaxy Towers, Opp. Century, Nr. Judges Bunglow, Bodakdev, Ahmedabad - 380054, Gujarat	----
August 16, 2019	406, Addor Aspire Co. Comm. Ser. Soc. Ltd., Nr. Jahanvee Restaurant, Panjrapole Road, Ahmedabad - 380015, Gujarat	For Business Convenience
November 20, 2021	1202, Addor Aspire, Nr. Jahanvee Road, University to Panjrapole Road, Ahmedabad - 380015, Gujarat	For Business Convenience
June 01, 2022	1 st Floor, Barcelona House, B/S.Star House. Opp-Shell Pump Road, Prahladnagar, Satellite Ahmedabad – 380015, Gujarat	For Business Convenience

Main Objects of our Company:

The Main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

- To carry on the business of manufacturers, representatives, consignors, consignees, exporters, importers, factors, agents, packers, distributors, stockiest and suppliers of all classes, kinds, types and description of readymade garments for ladies, gents and children including shirts, bus-shirts, T-Shirts, Vests, Jeans, Trousers & Chinos, Jog Pants, Pullovers & Cardigans, Shorts, Hoodies & Sweatshirts, Coats & Jackets, Innerwear & Socks, ties, cravats, collars, scarves, scarfs, hats, caps, shawals, cardigans, boilders, suits, swim wears, bath robes, gowns, jackets, slacks, pyjamas, night dresses, underwears, socks, handkerchiefs, hand gloves, khamis, several made of whatever substances such as cotton silk, art silk, nylon, rayon, manmade synthetics, wool, jute, canvass, plastic and other fabrics and mixtures of any of above.

The main objects clause as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to the Memorandum of Association and Article of Association of our Company

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association and Article of Association:

Date of Amendment / Shareholders' Resolution	Nature of Amendment
November 30, 2020	The Authorized Share Capital of the company was increased from ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10/- each to ₹ 1,25,00,000 divided into 12,50,000 equity shares of ₹ 10/- each.
September 01, 2021	The Authorized Share Capital of the company was increased from ₹ 1,25,00,000 divided into 12,50,000 equity shares of ₹ 10/- each to ₹ 1,50,00,000 divided into 15,00,000 equity shares of ₹ 10/- each.
November 20, 2021	The Authorized Share Capital of the company was increased from ₹ 1,50,00,000 divided into 15,00,000 equity shares of ₹ 10/- each to ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10/- each.
February 17, 2022	The Face Value of the Company has been sub-divided from ₹ 10/- each fully paid-up to ₹ 1/- each fully paid-up. Consequently, the Authorized Share Capital of the Company comprising of 1,00,00,000 equity shares of ₹ 10/- each aggregating to ₹ 10,00,00,000 was sub-divided into 10,00,00,000 equity shares of ₹ 1/- each aggregating to ₹ 10,00,00,000
May 12, 2022	The Authorized Share Capital of the company was increased from ₹ 10,00,00,000 divided into 10,00,00,000 equity shares of ₹ 1/- each to ₹ 12,00,00,000 divided into 12,00,00,000 equity shares of ₹ 1/- each.

Major events and Milestones in the history of our Company

The table below sets forth some of the major events and milestones in the history of our Company:

Fiscal Year	Details
2015	Started as a One Person Company in the name of "Stitched Textiles (OPC) Private Limited"
2019	The Company launched its first BARCELONA store in Ahmadabad/Gandhinagar, Gujarat
2020	The Company Opened 5 EBOs out of which 1 EBO closed during the year
2021	- The Company opened 22 EBOs out of which 2 EBOs closed during the year - The Company launched its online e-commerce portal i.e. www.barcelonaclub.in - The Company achieved 40,000 customer base - Registration on e-commerce platforms like Meesho, Amazon and Flipkart
2022	- Launch of BARCELONA B2B App for retailers - The Company opened 70 EBOs out of which 18 closed during the year

Fiscal Year	Details
	- Our Company has been moved to its new Registered Office consisting of 16,000 sq. ft. - BARCELONA B2B App secured 2000 orders and 5000 active users
2023	The Company opened 12 stores as on May 31, 2022 out of which 3 stores closed during the year

Awards, Accreditations and Recognitions

Our Company and its Managing Director, Mr. Jaimin Kailash Gupta has received numerous recognitions and articles have been published in renowned media agencies like Forbes India, Business Standard, Hindustan Metro, Divya Bhaskar and such other agencies etc.

Also, Mr. Jaimin Kailash Gupta was recently invited to attend and speak at the Phygital Retail Convention that was held in Mumbai. The event featured some of India's top industry leaders who shed a light on their journeys and the innovations in the retail landscape in the country. He was also invited to speak at the Indian Fashion Forum 2022 held in Delhi. He was one of the 10 speakers who were invited to speak on Solo X panel.

Mr. Jaimin Kailash Gupta represented VS & Barcelona at both the convention and he was the youngest speaker on the panel. It was a humbling achievement for him to be standing among the captains of the retail industry.

Significant financial and strategic partnerships

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant strategic or financial partners.

Time/cost overrun in setting up projects

As on the date of this Draft Red Herring Prospectus, there have been no time/cost overruns in setting up our projects.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation or location of stores

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation and location of stores, see 'Our Business' and 'Major events and milestones' on pages 132 and 166.

Defaults, rescheduling or restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there has been no default, rescheduling or restructuring of borrowings with financial institutions or banks.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, revaluation of assets, etc. in the last 10 years

Except as mentioned in chapter "History and Certain Corporate Matters" beginning on page no. 166, our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of this Prospectus.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Joint Ventures of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Associates of our Company

Our Company has 1 (One) Associate Company being Viru Retail Private Limited

- **Viru Retail Private Limited**

Corporate Information:

Viru Retail Private Limited was incorporated on December 26, 2019 vide certificate of incorporation bearing Corporate Identity No. U18202DL2019PTC359387 under the provisions of Companies Act, 2013 issued by ROC-Delhi. The registered office of Viru Retail Private Limited is located at X-12, Basement, Hauz Khas Enclave, New Delhi – 110016.

Nature of Business:

Viru Retail Private Limited is engaged in the business of trading of readymade garments.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorized share capital of Viru Retail Private Limited is ₹ 10,00,000/- divided into 1,00,000 equity shares of ₹ 10/- each. The issued, subscribed and paid-up capital of Viru Retail Private Limited is ₹ 1,00,000/- divided into 10,000 equity shares of ₹ 10/- each.

Shareholding

Our Company holds 35% shareholding of Viru Retail Private Limited.

Accumulated profits or losses not accounted for by our Company

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Viru Retail Private Limited not accounted for by our Company.

Details of Shareholders' agreement

As on date of this Draft Red Herring Prospectus, there are no subsisting shareholders' agreements among our shareholders vis-à-vis our Company.

Agreements with Key Managerial Personnel, Directors, Promoters or any other employee

Neither our Promoters, nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Other material agreements

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

Guarantees given by our Promoters

Our Promoters have not given any guarantee to any third parties as on the date of this Draft Red Herring Prospectus.

Capital raising (Debt / Equity)

Except as set out in the Sections titled ***“Capital Structure”*** and ***“Financial Indebtedness”*** beginning on page no 58 and 228 respectively of this Draft Red Herring prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

Injunction or restraining order

Nil

Details regarding past performance of the company.

For details in relation to our past financial performance in the previous 3 (three) financial years, please refer to Section titled ***“Financial Statements as restated”*** beginning on page no. 194 of this Draft Red Herring prospectus.

Changes in the activities of our Company during the last ten (10) years

Except as mentioned in chapter ***“Our History and Certain Corporate Matters”*** beginning on page no. 166 there have been no changes in the activity of our Company during the last ten (10) years preceding as on the date of this Draft Red Herring prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

Shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 10 shareholders. For further details in relation to the current shareholding pattern, please refer to Section titled ***“Capital Structure”*** beginning on page no. 58 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Under the Articles of Association, our Company is authorised to have a minimum of 3 (three) Directors and a maximum of up to 15 (fifteen) Directors. As on the date of this Draft Red Herring Prospectus, our Company has 5 (five) Directors, comprising 1 (one) Managing Director, 1 (one) Non-Executive Non-Independent Directors and 3 (three) Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Age
Jaimin Kailash Gupta	Managing Director	06833388	27 Years
Kresha Kailash Gupta	Non-Executive Director	09639553	24 Years
Yesha Aagam Shah	Independent Director	08802522	27 Years
Rushabh Anilkumar Shah	Independent Director	09012222	26 Years
Premaram Jaitaram Patel	Independent Director	09324872	31 Years

Board of Directors

Sl. No.	Particulars	Details
1.	Name of the Director	Mr. Jaimin Kailash Gupta
	Father's Name	Mr. Kailash Gangasahay Gupta
	Residential Address	30, Somnathnagar Society, Naranpura, Ahmedabad-380013 Gujarat
	Date of Birth	January 03, 1995
	Age	27 Years
	Designation	Managing Director
	DIN	06833388
	Occupation	Business
	Nationality	Indian
	No. of Years of Experience	Please refer "Brief Biographies of the Directors" as mentioned below
	Date of Appointment	November 02, 2015
	Terms of Appointment	5 (five) years w.e.f. January 24, 2022 (Not liable to retire by rotation)
	Directorship/Designated Partner in other companies/LLPs	- Viru Retail Private Limited - Brand Cluster LLP

Sl. No.	Particulars	Details
2.	Name of the Director	Ms. Kresha Kailash Gupta
	Father's Name	Mr. Kailash Gangasahay Gupta
	Residential Address	28, Sahjanand Palace, Taltej, Behind Sindhubhavan, Ahmedabad – 380054, Gujarat
	Date of Birth	August 18, 1998
	Age	24 Years
	Designation	Non-Executive Non-Independent Director
	DIN	09639553
	Occupation	Business
	Nationality	Indian

Sl. No.	Particulars	Details
	No. of Years of Experience	Please refer “Brief Biographies of the Directors” as mentioned below
	Date of Appointment	June 15, 2022
	Terms of Appointment	5 (five) years w.e.f. June 15, 2022 (Liable to retire by rotation)
	Directorship/Designated Partner in other companies/LLP	Nil

Sl. No.	Particulars	Details
3.	Name of the Director	Ms. Yesha Aagam Shah
	Father’s Name	Mr. Yatishbhai Surakmal Shah
	Residential Address	8, Ganesh Appartment, Opp. Harekrishna Society, Vasna, Barrage Road, Ahmedabad – 380007, Gujarat
	Date of Birth	September 11, 1994
	Age	27 Years
	Designation	Independent Director
	DIN	08802522
	Occupation	Business
	Nationality	Indian
	No. of Years of Experience	Please refer “Brief Biographies of the Directors” as mentioned below
	Date of Appointment	March 01, 2022
	Terms of Appointment	5 years w.e.f. March 01, 2022
	Directorship in other companies	- Shangar Decor Limited - Pervasive Commodities Limited

Sl. No.	Particulars	Details
5.	Name of the Director	Mr. Rushabh Anilkumar Shah
	Father’s Name	Mr. Anilkumar Muktilal Shah
	Residential Address	2768, Jivan Kamalshini Pole, Near Kuvavali Pole, Shahpur, Ahmedabad – 380001, Gujarat
	Date of Birth	December 25, 1995
	Age	26 Years
	Designation	Independent Director
	DIN	09012222
	Occupation	Business
	Nationality	Indian
	No. of Years of Experience	Please refer “Brief Biographies of the Directors” as mentioned below
	Date of Appointment	December 14, 2021
	Terms of Appointment	5 years w.e.f. January 24, 2022
	Directorship in other companies	- Hindprakash Industries Limited - Yash Chemex Limited

Sl. No.	Particulars	Details
6.	Name of the Director	Ms. Premaram Jaitaram Patel
	Father's Name	Mr. Jaitaram Gokulram Patel
	Residential Address	1, Dharmasadan Park, Behind Nigam Society, Ghodasar, Ahmedabad – 380050, Gujarat
	Date of Birth	March 27, 1991
	Age	31 Years
	Designation	Independent Director
	DIN	09324872
	Occupation	Business
	Nationality	Indian
	No. of Years of Experience	Please refer “Brief Biographies of the Directors” as mentioned below
	Date of Appointment	March 01, 2022
	Terms of Appointment	5 years w.e.f. March 01, 2022
	Directorship in other companies	Nil

Brief Biographies of the Directors

Mr. Jaimin Kailash Gupta, aged 27 years, is the Managing Director of our Company. He has an experience of six years in the field of Textile Industry. He holds a Bachelor's Degree in Business Administration from Gujarat University. He is also a Director at Viru Retail Private Limited since December 26, 2019. He was also a director of 7NR Retail Limited from February 12, 2021 to January 08, 2022 and Hillary Fashion Cotfab Limited from March 05, 2014 to January 30, 2018. He is the Designated Partner of Brand Cluster LLP since November 26, 2020

Ms. Kresha Kailash Gupta, aged 24 years, is the Non-Executive Director of our Company. She has been on the Board of Directors of our Company since June 15, 2022. She holds a Bachelor's Degree in Commerce from Ahmedabad University and she is a Chartered Accountant (CA) from Institute of Chartered Accountants of India (ICAI). She has an experience of over and above 4 years in the field of Accounts, Taxation etc.

Ms. Yesha Aagam Shah, aged 27 years, is the Independent Director of our Company. She has been appointed as the Independent Director of our Company since March 01, 2022. She holds a Bachelor's Degree in Commerce and Bachelor's Degree in Laws (LLB) and Master's Degree in Laws (LLM) from Gujarat University. She is a member of Institute of Company Secretaries in India and also worked as a Compliance Officer in Art Nirman Limited. She has an experience of over and above 7 years and professionally sound in the field of Companies Act, SEBI Regulations etc. She was also a director of Goenka Business & Finance Limited from January 01, 2021 to November 01, 2021.

Mr. Rushabh Anilkumar Shah, aged 26 years, is the Independent Director of our Company. He has been appointed as Independent Director of our Company since December 14, 2021. He holds a Bachelor's Degree in Commerce and Post-Graduation in Master of Law from Gujarat University. He is a member of Institute of Company Secretaries in India and also worked as a Whole-time Company secretary in John Oil and Gas Limited. He was also associated as a Whole-time Company Secretary with Mexus Corporation Private Limited.

Ms. Premaram Jaitaram Patel, aged 31 years, is the Independent Director of our Company. She has been appointed as the Independent Director of the Company on March 01, 2022. She holds a Bachelor's Degree in Commerce and Post Graduate in Investment and Financial Analysis (PGDIFA) from Gujarat University. She also holds Bachelor's Degree in Law from Gujarat University. She is a member of Institute of Company Secretaries in India. She has an experience of over and above 7 years in the field of Companies Act, IPR, SEZ, GST, Accounting and RERA.

Confirmations

- a. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Red Herring Prospectus with the SEBI, during the term of his/ her directorship in such company.
- b. Further, none of the Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
- c. Mr. Jaimin Kailash Gupta was included in the list of wilful defaulters on 31.07.2021 by Bank of Baroda which was subsequently challenged in the High Court of Gujarat, which Vide its order dated 04.05.2022 has observed that the bank has failed to comply with the mechanism provided under the Revised Master Circular of the RBI dated 01.07.2015 and has violated the principles of natural justice, and thereby has quashed and set aside the action of the Bank. The Hon'ble High Court has remanded back this matter to the Identification Committee of the Bank to follow the procedure laid down in the master circular of the RBI dated 01.07.2015 and then send the matter to Review Committee of Bank. The complete details of the case has been included in Risk factor 1 on page no 26.

Apart from the above, none of the other Directors have been identified as a wilful defaulter or a fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

- d. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- e. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

Relationship between our Directors and Key Managerial Personnel

Except as stated below, none of our Directors are related to each other:

Sr. No.	Name of the Director	Related to	Relationship
1.	Kresha Kailash Gupta	Jaimin Kailash Gupta	Sister

Arrangement or Understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Terms of appointment and remuneration of our Managing Director and Executive Director

a) *Jaimin Kailash Gupta*

Our Board of Directors at their meeting held on December 31, 2021 approved the reappointment of Jaimin Kailash Gupta as Managing Director for a period of five (05) years with effect from January 24, 2022. Our Shareholders have approved such reappointment for a period of five (05) years with effect from January 24, 2022 at their extraordinary general meeting held on January 24, 2022 at a salary up to ₹ 2,00,000 per month along with reimbursement of expenses in connection with the business of the Company, as per limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Terms of appointment and remuneration of our Non-Executive Directors

All the non-executive directors of the Company are appointed for the term of 5 years from the date of appointment.

The Company does not have any policy for providing remuneration to non-executive Directors.

Terms of appointment and remuneration of our Independent Directors

All the Independent Directors of the Company are appointed for the term of 5 years from the date of appointment.

The Company provides sitting fees to the Independent Directors.

Remuneration paid to our Directors in Fiscal 2021 is as follows:

- *Remuneration of our Managing Director and Executive Directors*

Sl. No.	Name of Director	Remuneration (₹ in lakh)
1.	Jaimin Kailash Gupta	6.00

- *Remuneration of our Non-Executive Directors*

Sl. No.	Name of Director	Remuneration (₹ in lakh)
1.	Kresha Kailash Gupta	Nil

- *Remuneration of our Independent Directors*

All our Independent Directors were appointed during the current Fiscal i.e. Fiscal 2022. Accordingly, no remuneration was paid to them in Fiscal 2021.

Payment or benefit to Directors of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Whole Time Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

Remuneration paid to our Directors by our Subsidiary

As on date of this Draft Red Herring Prospectus, our Subsidiary has not paid any remuneration to our Directors, except as disclosed in the “*Related Party Transactions*” on Section titled “*Financial Statement as Restated*” beginning from Page 194.

Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Draft Red Herring Prospectus.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing of this Draft Red Herring Prospectus is set forth below:

Sl. No.	Name of Director	Number of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Jaimin Kailash Gupta	4,91,88,670	81.32%

Interest of our Directors

Our Managing Directors, and Non-Executive Directors may be deemed to be interested to the extent of remuneration (including performance related pay) payable to them for services rendered as Directors of our Company or sitting fees paid to them for attending the meetings of the Board and Committees of the Board and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Managing Director and Whole Time Directors see “*Remuneration details of our Directors*” above.

Our Directors may also be regarded as interested in the Equity Shares, if any, that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and/ or trustees. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Some of the Directors may also be interested to the extent of Equity Shares held by them in our Company. Hence, they may be deemed to be interested to the extent of their shareholding in our Company.

No consideration in cash, shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or companies in which they are interested, in connection with the promotion or formation of our Company.

Our Director Ms. Kresha Kailash Gupta may be deemed to be interested to the extent of property jointly purchased vide Deed of Conveyance dated May 07, 2022 by our Company and Ms. Kresha Gupta a Non-Agricultural Land bearing Survey No. 1284/9 paiki 9 admeasuring about 372 sq.mtr. or thereabouts now given in Final Plot No. 4/9 in Draft Town Planning Scheme No. 27 and Flat No. 1 on 1st Floor, with construction admeasuring about 141.28 sq.mtr. Flat No. 3 on 3rd Floor with construction admeasuring about 141.28 sq.mtr. and Flat No. 4 on 4th Floor with construction admeasuring about 141.28 sq. mtr. in altogether total 565.12 sq.mtr.

Except as disclosed above, none of our Directors are interested in any transaction of our Company for the acquisition of land, construction of building and supply of machinery. Further, none of our Directors are related to any entity from whom our Company has acquired land or proposes to acquire land.

Except as stated in “*Restated Consolidated Financial Information*” on page 194, our Directors do not have any other interest in the business of our Company.

Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit-sharing plan.

Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of the Director	Date of Appointment/ Change/Cessation	Reasons
Kresha Kailash Gupta	June 15, 2022	Appointed as Non-Executive Director
Tarachand Gangasahay Agrawal	June 15, 2022	Resignation u/s 168 due to personal reason
Raj Arjanbhai Ahir	April 23, 2022	Resignation u/s 168 due to personal reason
Yesha Aagam Shah	March 01, 2022	Appointed as Independent Director
Premaram Jaitaram Patel	March 01, 2022	Appointed as Independent Director
Jaimin Kailash Gupta	January 24, 2022	Designated as Managing Director
Rushabh Anilkumar Shah	January 24, 2022	Designated as Independent Director
Raj Arjanbhai Ahir	January 24, 2022	Designated as Non-Executive Director
Rushabh Anilkumar Shah	December 14, 2021	Appointed as Additional Independent Director
Raj Arjanbhai Ahir	December 14, 2021	Appointed as Additional Director
Tarachand Gangasahay Agrawal	September 12, 2019	Designated as Non-Executive Director
Tarachand Gangasahay Agrawal	August 16, 2019	Appointed as Additional Director

Borrowing Powers of our Board

In accordance with our articles and pursuant to a resolution passed by the Shareholders of our Company on January 24, 2022, the Board may raise finance upto ₹ 10,000 lakh from any or more banks, financial institutions, mutual funds and other persons, firms, body corporates or by way of loan or credit facilities or any issue of bonds on such terms and conditions and with or without security and in order to secure the borrowing, our Company may be required to create mortgage, hypothecation or charge on the assets of our Company, both present and future, in favour of the lenders/trustees for the holders of the debentures/bonds, which may be issued by our Company to secure the repayment of monies borrowed by our Company (including temporary loans obtained from our Company's bankers in the ordinary course of business).

Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;

a) Audit Committee

As per section 177 of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority: Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.

Audit Committee was constituted vide Board Resolution dated June 15, 2022. The Audit Committee of our Company comprises of the following: -

Name of Director	Status in Committee	Nature of Directorship
Yesha Aagam Shah	Chairperson	Non-Executive Independent Director
Premaram Jaitaram Patel	Member	Non-Executive Independent Director
Kresha Kailash Gupta	Member	Non-Executive Non-Independent Director

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 and Part C of Schedule II of the SEBI (LODR) Regulations.

1. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

2. Role of Audit Committee

The role of the Audit Committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;

- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department,
- staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans /advances / investments existing as on the date of coming into force of this provision.
- monitoring the end use of funds raised through public offers and related matters.
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the prospectus/notice in terms of Regulation 32(5).

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than one hundred and twenty days shall elapse between two meetings. The quorum of the meeting shall be either two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b) Nomination and Remuneration Committee

As per section 178 of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors: Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

The Nomination and Remuneration Committee was constituted by our Board on June 15, 2022. The Nomination and Remuneration Committee include the following:

Name of Director	Status in Committee	Nature of Directorship
Premaram Jaitaram Patel	Chairman	Non-Executive Independent Director
Rushabh Anilkumar Shah	Member	Non-Executive Independent Director
Kresha Kailash Gupta	Member	Non-Executive Non-Independent Director

The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

Role of the Nomination and Remuneration Committee

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Set forth below are the role of our Nomination and Remuneration Committee.

- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;

- 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.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- The Committee shall 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.

As required under Regulation 19 of the SEBI (LODR) Regulations, the Nomination and Remuneration Committee shall meet at least once in a year. The quorum for a meeting shall be either two members present, or one-third of the members of the, whichever is greater, provided that there should be a minimum of one independent directors present.

c) Stakeholders Relationship Committee;

As per section 178 of the Companies Act, 2013, The Board of Directors of a company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.

In pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof, the Stakeholders' Relationship Committee was constituted by a resolution of our Board Meeting dated June 15, 2022. The Stakeholders' Relationship Committee include the following:

Name of Director	Status in Committee	Nature of Directorship
Rushabh Anilkumar Shah	Chairman	Non-Executive Independent Director
Kresha Kailash Gupta	Member	Non-Executive Non-Independent Director
Yesha Aagam Shah	Member	Non-Executive Independent Director

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

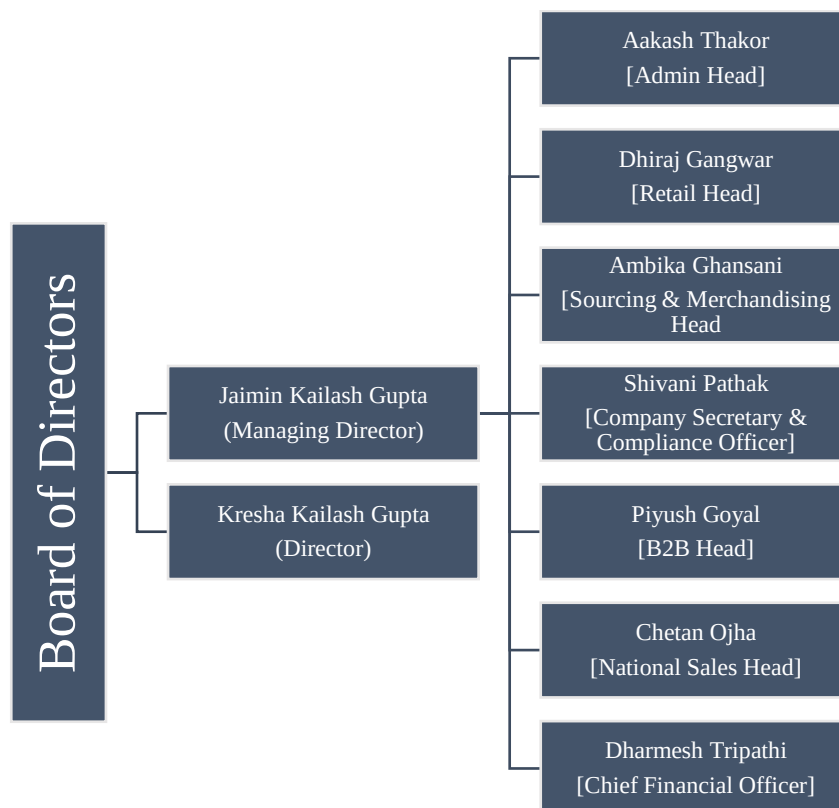
Role of the Stakeholders Relationship Committee

The role of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and as per Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations and is as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- To carry out any other function as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

As required under Regulation 20 of the SEBI (LODR) Regulations, the Stakeholders' Relationship Committee shall meet at least once in a year.

Management Organization Chart



Key Managerial Personnel

In addition to the Directors of our Company, whose details have been provided under the paragraph “*Brief Biographies of the Directors*” under this Section, the details of other Key Managerial Personnel of our Company are as follows:

Mr. Jaimin Kailash Gupta, aged 27 years, is the Managing Director of our Company. He has an experience of six years in the field of Textile Industry. He holds a Bachelor’s Degree in Business Administration from Gujarat University. He is also the CEO of Vaxtex Cotfab Limited, an NSE Emerge Listed company, having its operations into Textile fabric manufacturing business. He is also a Director at Viru Retail Private Limited since December 26, 2019. He was also a director of 7NR Retail Limited from February 12, 2021 to January 08, 2022 and Hillary Fashion Cotfab Limited from March 05, 2014 to January 30, 2018.

Mr. Dharmesh Tripathi, aged 44 years, is the Chief Financial Officer of our Company. He has been appointed as Chief Financial Officer in our Company on January 01, 2022. He has passed CA inter under ICAI since 2004 and also acquired Degree of Bachelor of Commerce (B.COM) from Gujarat University in the year 1999. He has also completed GST course from Henry Harvin Education since 2021. He has an experience of over & above 18 years in field of GST and Accounting.

Ms. Shivani Pathak, aged 26 years, is the Company Secretary and Compliance Officer of our Company. She has been appointed as Company Secretary and Compliance Officer in our Company on January 01, 2022. She is a qualified Company Secretary (CS) from Institute of Company Secretaries of India (ICSI). She also holds Bachelor’s Degree in Commerce and Bachelor’s Degree in Law from Gujarat University. She has an experience of over and above 3 years in the field of Law and Secretarial Compliances.

All the Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel

Except as disclosed under the heading “*Relationship between our Directors*” and herein below, none of the key managerial personnel are related to each other or to our Promoters or to any of our Directors.

Shareholding of the Key Managerial Personnel

Following are the details of Equity Shares of our Company held by our Key Management Personnel:

Sl. No.	Name of Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1	Jaimin Kailash Gupta	4,91,88,670	81.32%
2	Dharmesh Tripathi	22,500	0.04%
	Total	4,92,11,170	81.36%

Arrangements with major shareholders, customers and suppliers etc

None of our Key Managerial Personnel was selected as such pursuant to any arrangement with any major shareholder, customers, suppliers or others.

Service Contracts

Except for the appointment letters issued by our Company, our Key Managerial Personnel have not entered into any service contract in relation to their appointment and remuneration.

Bonus or Profit-Sharing Plan for our Key Managerial Personnel

None of our Key Managerial Personnel is a party to any bonus or profit-sharing plan.

Contingent and deferred compensation payable to our Directors or Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors or Key Managerial Personnel, which forms part of their remuneration.

Payment or benefit to Key Managerial Personnel of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel.

Interest of Key Managerial Personnel

Except as disclosed in this Draft Red Herring Prospectus, none of our Key Managerial Personnel's have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

Changes in Key Managerial Personnel in the Last Three Years

Set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

Name	Designation	Date of Change	Reason
Jaimin Kailash Gupta	Managing Director	January 24, 2022	Change in Designation
Dharmesh Tripathi	Chief Financial Officer	January 01, 2022	Appointment
Shivani Pathak	Company Secretary & Compliance Officer	January 01, 2022	Appointment

The attrition of the key management personnel is as per the industry standards.

Employees' Stock Option Plan

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

Loans taken by Directors / Key Management Personnel

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Red Herring Prospectus.

OUR PROMOTER AND PROMOTER GROUP

The Promoter of our Company is Jaimin Kailash Gupta. As on the date of this Draft Red Herring Prospectus, our Promoter hold, in aggregate of 4,91,88,670 Equity Shares, constituting 81.32% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters’ shareholding in our Company, see “*Capital Structure – Details of Build-up of our Promoter’s shareholding*” on page 58 of this Draft Red Herring Prospectus.

1. Details of Individual Promoter of our Company



Jaimin Kailash Gupta, aged 27 years, is the Promoter and Managing Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” on page 171 of this Draft Red Herring Prospectus.

Date of Birth: January 03, 1995

Permanent Account Number: BHDPG4108C

Address: 28, Sahjanand Palace, Taltej, Behind Sindhubhavan, Ahmedabad – 380054, Gujarat

Our Company confirms that it will submit the details of the Permanent Account Number, Bank Account Number, Passport Number, Aadhar Card Number and Driving License Number of our Promoter to Stock Exchanges separately at the time of filing the Draft Red Herring Prospectus.

2. Details of Corporate Promoter of our Company

We don’t have any Body Corporate Promoters.

Change in Control of our Company

Our Promoter is the original promoter of our Company and the control of our Company has not been acquired during the five years immediately preceding this Draft Red Herring Prospectus.

Experience of our Promoters in the business of our Company

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page 171 of this Draft Red Herring Prospectus.

Interests of our Promoters:

Our Promoter is interested in our Company to the extent it has promoted our Company; and to the extent of its shareholding in and control over our Company, dividend payable on such shareholding and other distributions in respect of its Equity Shares, if any. For details of Equity Shares held by our Promoter, see “*Capital Structure – Build-up of Promoter’s shareholding in our Company*” on page 58.

Except in the normal course of business and as stated in the “*Restated Consolidated Financial Information – Related Party Disclosures*” on page 194, our Company has not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested, and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with it.

Our Promoter has no interest, whether direct or indirect, in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc. However, Ms. Kresha Gupta may also be deemed to be interested to the extent of property jointly purchased vide Deed of Conveyance dated May 07, 2022 by our Company and Ms. Kresha Gupta a Non-Agricultural Land bearing Survey No. 1284/9 paiki 9 admeasuring about 372 sq.mtr. or thereabouts now given in Final Plot No. 4/9 in Draft Town Planning Scheme No. 27 and Flat No. 1 on 1st Floor, with construction admeasuring about 141.28 sq.mtr. Flat No. 3 on 3rd Floor with construction admeasuring about 141.28 sq.mtr. and Flat No. 4 on 4th Floor with construction admeasuring about 141.28 sq. mtr. in altogether total 565.12 sq.mtr.

No sum has been paid or agreed to be paid by our Company, to our Promoter or to such firm or company in cash or shares wherein our Promoter is interested as member, or promoter or otherwise as an inducement by any person for services rendered by the Promoter or by such firm or company in connection with the promotion or formation of our Company.

Our Promoter does not have any direct interest in any venture that is involved in any activities similar to those conducted by our Company.

Payment or benefits to our Promoters and Promoter Group during the last two years

Except in the ordinary course of business, dividends received by our Promoter, and as stated in “*Restated Consolidated Financial Information - Related Party Disclosures*” on page 194 there has been no payment or benefits by our Company to our Promoter and members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

Litigations involving our Promoters

For details of legal and regulatory proceedings involving our Promoter, see “*Outstanding Litigation and Material Development*” in page 256.

Guarantees

Except as mentioned in chapter titled “*Financial Indebtedness*” on page 228 of this Draft Red Herring Prospectus, our Promoters have not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Red Herring Prospectus.

Details of Companies / Firms from which our Promoters has disassociated in the last three years

Except as set out below, our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of this Draft Red Herring Prospectus:

Jaimin Kailash Gupta

Name of Company or Firm from which Promoter has Disassociated	Reasons for and Circumstances Leading to Disassociation	Date of Disassociation
7NR Retail Limited	Disassociation as Director due to occupational commitments	January 08, 2022
Vortex Cotfab Limited	Disassociation as CEO due to appointment as Managing Director in our Company	March 08, 2022

Our Promoter Group

In addition to our Promoter, the individuals and entities that form part of the Promoter Group of our Company in terms of the SEBI (ICDR) Regulations are set out below:

a) Natural persons part of the Promoter Group

1. Kailash Gangasahay Gupta
2. Bharti Kailash Gupta
3. Kresha Kailash Gupta

b) Entities forming part of the Promoter Group:

1. Vaxtex Cotfab Limited
2. Vax Enterprise Private Limited
3. Qmin Pharma Private Limited
4. Jheeldevi Nidhi Limited
5. Vax Fashion Private Limited
6. Brand Cluster LLP
7. Kailash Gupta HUF
8. Vaxtex Cotfab (Partnership Firm)

Other Confirmations:

Mr. Jaimin Kailash Gupta was included in the list of wilful defaulters on 31.07.2021 by Bank of Baroda which was subsequently challenged in the High Court of Gujarat, which Vide its order dated 04.05.2022 has observed that the bank has failed to comply with the mechanism provided under the Revised Master Circular of the RBI dated 01.07.2015 and has violated the principles of natural justice, and thereby has quashed and set aside the action of the Bank. The Hon'ble High Court has remanded back this matter to the Identification Committee of the Bank to follow the procedure laid down in the master circular of the RBI dated 01.07.2015 and then send the matter to Review Committee of Bank. The complete details of the case have been included in Risk factor 1 on page no 26

Apart from the above, none of the other Directors have been identified as a wilful defaulter or a fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters, Promoter Group entities or Subsidiaries have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of group companies, our Company has considered (i) the companies (other than the Promoters and Subsidiaries) with which there are related party transactions as disclosed in the Restated Consolidated Financial Information; and (ii) other companies considered material by our Board pursuant to the Materiality Policy. In accordance with our Materiality Policy, for the purposes of disclosure in this Draft Red Herring Prospectus, our Company has considered the companies (other than Promoters and Subsidiaries) with which there were related party transactions, during the period for which Restated Consolidated Financial Information is disclosed in this Draft Red Herring Prospectus and any other companies as may be considered as material by the Board.

Based on the above, our Group Companies are set forth below:

1. Vaxtex Cotfab Limited
2. Qmin Pharma Private Limited
3. Vax Enterprise Private Limited
4. Viru Retail Private Limited
5. Vax Fashion Private Limited
6. 7NR Retail Limited
7. Brand Cluster LLP
8. Vaxtax Cotfab (Partnership Firm)

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the respective websites indicated below.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

None of our Company, the BRLM or any of the Company's or the BRLMs' respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

Details of our Group Companies

The details of our Group Companies are provided below:

A. *Details of our top Group Companies*

In terms of the SEBI ICDR Regulations, the following information based on the audited financial statements of our top five Group Companies, for the last three financial years is available on the website of the respective Group Companies or our Company:

- reserves (excluding revaluation reserve);
- sales;
- profit after tax;
- earnings per share;
- diluted earnings per share; and
- net asset value.

1. Vortex Cotfab Limited

Registered Office

Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad Ahmedabad – 382405, Gujarat

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information in relation to Vortex Cotfab Limited for the previous three financial years, extracted from its audited financial statements is available on website at www.vortexcotfabltd.com

2. 7NR Retail Limited

Registered Office

Godown No-1, 234/1+234/2, FP-69/3, Sadashiv Kanto, B/h Bajaj Process, Narol Chokdi, Narol Ahmedabad -382405, Gujarat, India

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information in relation to 7NR Retail Limited for the previous three financial years, extracted from its audited financial statements is available on website of our Company at www.7nrretailtd.in

Group Company Relationship

7NR Retail Limited is categorized as our Group Company by virtue of Mr. Tarachand Gangasahay Agrawal, holding the position of Managing Director in 7NR Retail Limited and also non-executive director of our Company Stitched Textiles Limited. However, currently Mr. Tarachand Gangasahay Agrawal has resigned w.e.f. June 15, 2022 from the position of Non-executive Director of our company and accordingly, henceforth 7NR Retail Limited will not be categorized as a Group Company of Stitched Textiles Limited.

3. Vax Enterprise Private Limited

Registered Office

28, Sahajanand Palace, Near Shruti Bunglows, Thaltej, Ahmedabad – 380059, Gujarat

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information in relation to Vax Enterprise Private Limited for the previous three financial years, extracted from its audited financial statements is available on website of our Company at www.barcelonaclub.in

4. Qmin Pharma Private Limited

Registered Office

706, Viva Atelier, Nr. Ketan Society, Naranpura, Ahmedabad – 380013, Gujarat

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information in relation to Qmin Pharma Private Limited for the previous three financial years, extracted from its audited financial statements is available on website of our Company at www.barcelonaclub.in

5. Vax Fashion Private Limited

Registered Office

Survey No-96, Plot-991/1-108Paiki, 991/1 Opp Suman Steel, Behrampura, Ahmedabad – 380022, Gujarat, India

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information in relation to Vax Fashion Private Limited for financial year 2019-20 & 2020-21 as the Date of Incorporation is November 05, 2019, extracted from its audited financial statements is available on website of our Company at www.barcelonaclub.in

Group Company Relationship

Vax Fashion Private Limited is categorized as our Group Company by virtue of Mr. Tarachand Gangasahay Agrawal, holding the position of Director and Shareholder of Vax Fashion Private Limited and also non-executive director of our Company Stitched Textiles Limited. However, currently Mr. Tarachand Gangasahay Agrawal has resigned w.e.f. June 15, 2022 from the position of Non-executive Director of our company and accordingly, henceforth Vax Fashion Private Limited will not be categorized as a Group Company of Stitched Textiles Limited.

6. Brand Cluster LLP

Registered Office

Sur No 96 Plot 991/1 108 Paiki, Opp Suman Steel B/H Somnath Mahadev Road, Gyaspur Gam, Behrampura Ahmedabad Gujarat 380022

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information in relation to Brand Cluster LLP for the Financial Year 2020-21 as the date of incorporation is November 26, 2020, extracted from financial statements certified by the designated partners is available on website of our Company at www.barcelonaclub.in

Nature and extent of interest of Group Companies

In the promotion of our Company

The following Group Companies have interest in the promotion of our Company by virtue of strategic arrangement entered with them.

- 7NR Retail Limited
- Vax Fashion Private Limited
- Brand Cluster LLP

By virtue of strategic arrangement, the above entities will carry on business development and sales promotion activities and execute the sale of products purchased from our Company.

In the properties acquired by our Company in the past three years before filing this Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits

Certain of our associates/group companies are in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst our associates/group companies and our Company. Our Company will adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations as and when they arise.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in “*Related Party Transactions*” on page 194, there are no related business transactions with the Group Companies.

Litigation

Except as disclosed in “*Outstanding Litigation and Material Developments*” on page 256, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in “*Related Party Transactions*” on page 194, none of our Group Companies have any business interest in our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see “*Restated Consolidated Financial Information – Related Party Transactions*” on page 194 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend distribution policy of our Company was approved and adopted by our Board at its meeting dated April 23, 2022.

Declaration of dividend, if any, will depend on a number of factors, including but not limited to the capital expenditure requirements, profit earned during the year and profit available for distribution, working capital requirements, business expansion and growth, additional investment in subsidiaries, cost of borrowing, economic environment, capital markets, and other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends.

Our Company has not declared any dividends in: (i) the last three Fiscals; (ii) the ten-month period ended January 31, 2022 and the date of filing this Draft Red Herring Prospectus.

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of SEBI Listing Regulation's and other applicable laws.

SECTION V: FINANCIAL INFORMATION**FINANCIAL STATEMENT AS RESTATED****Independent Auditor's Examination report on Restated Consolidated Financial Information****Independent Auditor's Examination report on Restated Consolidated Financial Information**

To,
The Board of Directors
Stitched Textiles Limited,
(Formerly Stitched Textiles Private Limited)
1202, Addor Aspire, Nr. Jahanvee Road,
University to Panjrapole Road,
Ahmedabad, Gujarat, 380015 India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Stitched Textiles Limited** (the "Company" or the "Issuer"), and its associates (Virus Retail Private Limited) comprising the Restated Consolidated Statement of Assets and Liabilities as at January 31, 2022, March 31, 2021, 2020, 2019* the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the ten months period ended January 31, 2022 and for the years ended March 31, 2021, 2020 and 2019*, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on May 17, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") /Red Herring Prospectus ("RHP")/Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO").
2. These restated consolidated 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").
3. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP/RHP/Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies (Ahmedabad), and the relevant stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure V to the Restated Consolidated Financial Information. The Company's Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated Consolidated 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 March 3rd, 2022 in connection with the proposed IPO of equity shares of the Issuer;
 - b) The Guidance Note. 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 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.
5. These Restated Consolidated Financial Information have been compiled by the management from:
- a) Audited Special Purpose Interim Financial Statements of the Company and its associate M/s Viru Retail Private Limited as at and for the ten months period ended 31st January, 2022 prepared in accordance with Indian Accounting Standard (Indian GAAP). We have issued our report dated 28th February, 2022 on this Financial Statements of the Company which have been approved by the Board of Directors at their meeting held on 28th February, 2022.
 - b) Audited financial statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and 2019 prepared in accordance with the Indian Accounting Standards (Indian GAAP) which have been approved by the Board of Directors at their meeting held on October 27, 2021, December 8, 2020 and June 26, 2019 respectively.
6. We have audited the special purpose financial statements of the company as at and for the ten-month period ended on 31st January 31 2022, prepared by the company in accordance with Indian GAAP for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO. We have issued our report dated 28th February, 2022 on these special purposes which have been approved by the Board of Directors at their meeting held on 28th February, 2022.
7. For the purpose of our examination, we have relied on:
- a) Auditors' reports issued by us dated February 28, 2022 as at and for the ten months period ended on January 31, 2022 as referred in Paragraph 5(a) above and dated October 27th, 2021 as at and for the year ended on March 31, 2021 as referred in Paragraph 5(a) above.
 - b) Auditors' Report issued by previous auditor dated June 26th, 2019 and December 8th, 2020 on the Standalone financial statements of the company as at and for the years ended March 31, 2019 and 2020, as referred in Paragraph 5(c) above.
- The audits for the financial years ended March 31, 2019 and 2020 were conducted by the Company's previous auditors, Niranjana Jain & Co., and accordingly reliance has been placed on the restated Standalone statement of assets and liabilities and the restated Standalone statements of profit and loss (including other comprehensive income), statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2019 and 2020 Restated Standalone Financial Information") examined by them for the said years.
- c) Auditors' Report issued by Sudhir Gupta & Associates on M/s Viru Retail Private Limited (Associate Company) for the financial year ended March 31, 2021 & 2020 which were issued on 5th November, 2021 & 24th November, 2020.
 - d) Unaudited standalone Financial Statements for the ten months ended on January 31, 2022 of Associate Company Viru Retail Private Limited certified by Management.
8. Based on our examination and according to the information and explanations given to us, we report that:
- a) The "**Restated Consolidated Summary Statement of Assets and Liabilities**" as set out in **Annexure I** to this report, of the Company as at and for the ten months period ended on January 31st, 2022 and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019* are prepared by the Company and approved by the Board of Directors. These Restated Consolidated summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more These fully described in Significant Accounting Policies and Notes to Accounts

as set out in **Annexure V** to this Report.

- b) The “**Restated Consolidated Summary Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company as at and for the ten months period ended on January 31st, 2022, and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 are prepared by the Company and approved by the Board of Directors. These Restated Consolidated summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure V** to this Report.
 - c) The “**Restated Consolidated Summary Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company as at and for the ten months period ended on January 31, 2022, and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 are prepared by the Company and approved by the Board of Directors. These Restated Consolidated summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure V** to this Report.
 - d) The Restated Consolidated Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
 - e) The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
 - f) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
 - g) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
 - h) There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the ten months period ended on January 31st, 2022, and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which would require adjustments in this Restated Financial Statements of the Company;
 - i) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure V** to this report;
 - j) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements
 - k) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
 - l) the company has not proposed any dividend in past effective for the said period.
 - m) The Company has not prepared the consolidated Financial Statement for the year ended on March 31, 2021 & 2020 as it was not a material associate.
9. 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 ten months period ended on January 31st, 2022, and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019* proposed to be included in the Draft Red Herring Prospectus (“DRHP”) /Red Herring Prospectus (“RHP”)/Prospectus.

Annexure No.	Particulars
I	Consolidated Restated Statement of Assets & Liabilities
I.1	Restated Statement of Property, Plant & Equipment
I.2	Restated Statement of Deferred tax assets (net)

I.3	Restated Statement of Non-Current Financial Assets: Investments
I.4	Restated Statement of Non-Current Financial Assets: Loans
I.5	Restated Statement of Inventories
I.6	Restated Statement of Trade Receivables
I.7	Restated Statement of Cash and cash equivalents
I.8	Restated Statement of Current Financial Assets: Loans
I.9	Restated Statement of Other Current Assets
I.10	Restated Statement of Equity Share Capital
I.11	Restated Statement of Other Equity
I.12	Restated Statement of Non-current Financial Liabilities: Trade Payable
I.13	Restated Statement of Deferred Tax Liabilities (net)
I.14	Restated Statement of Other Non Current Liabilities
I.15	Restated Statement of Current Financial Liabilities: Borrowings
I.16	Restated Statement of Current Financial Liabilities: Trade Payable
I.17	Restated Statement of Other Current Liabilities
I.18	Restated Statement of Provisions
II	Consolidated Restated Statement of Profit & Loos
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Changes in inventories of finished goods, work in progress & Stock in Trade
II.4	Restated Statement of Employees Benefit Expenses
II.5	Restated Statement of Finance Costs
II.6	Restated Statement of Other expenses
Other Annexures:	
III	Consolidated Statement of Changes in Equity
IV	Consolidated Cash Flow Statement
V	Statement of Significant Accounting Policies
VI	Notes to the Re-stated Financial Statements
VII	Statement of Accounting & Other Ratios, As Restated
VIII	Statement of Capitalization, As Restated
IX	Statement of Tax Shelter, As Restated
X	Statement of Related Parties & Transactions
XI	Statement of Dividends
XII	Changes in the Significant Accounting Policies
XIII	Contingent Liabilities

10. We, M/s. J S Maheshwari & 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 which is valid till 28th February, 2025
11. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 5 above.
12. 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.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP/RHP/Prospectus to be filed with Securities and Exchange Board of India, the relevant 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.

*Note: Figures as at March 31, 2019 are standalone Figures. The Company has made investment in Viru Retail Private Limited in Financial year 2020 hence consolidated Figures are applicable for March 31, 2020, 2021 & January 31, 2022.

For, J S Maheshwari & Co
Chartered Accountants
Firm Reg. No: 001318C
PRC No:012874

Sd/-

CA Dilip Maliwal
Partner
Membership No:148387

Place: Ahmedabad
Date: May 17th, 2022

UDIN No: 22148387AKUHXV7860

ANNEXURE - I					
CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES, AS RESTATED					
Rs. In Lakhs					
Particulars	Note No.	As At 31.01.2022 Rs. In Lakhs	As At 31.03.2021 Rs. In Lakhs	As At 31.03.2020 Rs. In Lakhs	As At 31.03.2019 Rs. In Lakhs
I ASSETS					
1 Non-current Assets					
a) Property, Plant & Equipment	I.1	91.44	8.90	5.40	6.38
b) Capital Work-in-Progress		-	-	-	-
c) Deferred tax assets (net)	I.2	-	0.52	0.48	0.37
d) Financial Assets:					
(i) Investments	I.3	-	-	0.50	-
(ii) Trade Receivable		-	-	-	-
(iii) Loans	I.4	10.34	4.28	1.23	2.60
e) Other non-current assets		-	-	-	-
Total Non-Current Assets		101.79	13.69	7.62	9.35
2 Current Assets					
a) Inventories	I.5	1,080.87	379.38	210.50	91.59
b) Financial Assets:					
(i) Trade Receivables	I.6	2,691.41	400.50	153.15	83.57
(ii) Cash and cash equivalents	I.7	737.31	57.91	41.83	18.54
(iii) Loans	I.8	995.79	932.08	184.16	83.97
c) Current Tax Assets (Net)		-	-	-	-
d) Other Current Assets	I.9	429.38	241.52	-	-
Total Current Assets		5,934.76	2,011.40	589.64	277.68
Total Assets		6,036.55	2,025.09	597.26	287.03
II EQUITY & LIABILITIES					
A Equity					
a) Equity Share Capital	I.10	604.86	46.12	1.00	1.00
b) Other Equity	I.11	182.46	167.34	1.61	1.08
Total Equity		787.33	213.47	2.61	2.08
B Liabilities					
1 Non-current Liabilities					
a) Financial Liabilities:					
(i) Borrowings		-	-	-	-
(ii) Trade Payable	I.12	-	-	-	13.21
b) Provisions		-	-	-	-
c) Deferred Tax Liabilities (net)	I.13	0.88	-	-	-
d) Other Non Current Liabilities	I.14	841.91	303.95	-	-
Total Non-Current Liabilities		842.78	303.95	-	13.21
2 Current Liabilities					
a) Financial Liabilities:					
(i) Borrowings	I.15	377.19	267.49	4.20	4.20
(ii) Trade Payable	I.16				
(a) Total Outstanding dues of MSME		445.84	-	87.15	-
(b) Total Outstanding dues of other than MSME		3,318.60	846.35	358.23	203.10
(iii) Other Financial Liabilities		-	-	-	-
b) Other Current Liabilities	I.17	202.57	381.75	140.24	59.55
c) Provisions	I.18	62.24	12.08	4.83	4.89
c) Current Tax Liabilities (Net)		-	-	-	-
Total Current Liabilities		4,406.44	1,507.68	594.65	271.75
Total Liabilities		5,249.22	1,811.62	594.65	284.96
Total Equity & Liabilities		6,036.55	2,025.09	597.26	287.03
Significant Accounting Policies					
Notes forming part of the Financial Statements					
As per our report of even date For J S Maheshwari & Co Chartered Accountants Registration No. 001318C		For and on behalf of the Board Stitched Textiles Limited			
Sd/-		Sd/- Jaimin Gupta Managing Director (DIN: 06833388)		Sd/- Tarachand Agrawal Director (DIN: 00465635)	
CA Dilip Maliwal Partner M No 148387 Place - Ahmedabad Date - 17th May, 2022 UDIN: 22148387AKUHXV7860		Shivani Pathak Company Secretary Sd/- Place - Ahmedabad Date - 17th May, 2022		Dharmesh Tripathi CFO (PAN: AEBPT6631H) Sd/-	

ANNEXURE - II						
CONSOLIDATED STATEMENT OF PROFIT & LOSS, AS RESTATED						
Rs. In Lakhs						
Particulars		Note No.	31.01.2022	2020-21	2019-20	2018-19
	INCOME					
(I)	Revenue from Operations	II.1	5,838.08	1,232.89	680.76	303.92
(II)	Other Income	II.2	11.56	36.92	0.40	0.04
(III)	Total Income (I) + (II)		5,849.64	1,269.81	681.16	303.96
(IV)	EXPENSES					
	Purchase of traded goods		5,676.80	1,265.52	718.94	294.06
	Changes in inventories of finished goods, work in progress & Stock in Trade	II.3	(701.50)	(168.88)	(118.91)	(67.78)
	Employee benefits expenses	II.4	145.25	36.80	37.03	38.26
	Finance Costs	II.5	33.20	3.26	1.37	0.61
	Depreciation and amortization expenses	I.1	3.05	1.50	1.81	1.14
	Other expenses	II.6	565.87	89.86	40.19	37.00
	Total Expenses (IV)		5,722.67	1,228.07	680.44	303.30
(V)	Profit before Exceptional Items and Share of Net Profit and Taxes		126.97	41.74	0.72	0.67
	Share of Net Profit/(Loss) of associates		0.15	(0.50)	-	-
	Profit before Exceptional Items and Taxes		127.12	41.24	0.72	0.67
(VI)	Exceptional Items - (Net)		-	-	-	-
(VII)	Profit before tax		127.12	41.24	0.72	0.67
(VIII)	Tax Expenses :					
	(1) Current tax		31.74	10.89	0.36	0.25
	(2) Deferred tax		1.40	(0.04)	(0.11)	-0.05
	(3) Previous year Tax		-	0.03	-	-
			33.14	10.88	0.25	0.20
(IX)	Profit for the Period (VII)-(VIII)		93.98	30.36	0.47	0.46
(X)	Other Comprehensive Income					
A(i)	items that will not be reclassified to profit or loss		-	-	-	-
(ii)	income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
B(i)	items that will be reclassified to profit or loss		-	-	-	-
(ii)	income tax relating to items that will be reclassified to profit or loss		-	-	-	-
(XI)	Total Comprehensive Income for the Period [(IX)+(X)] (Comprising Profit and Other Comprehensive Income for the period)		93.98	30.36	0.47	0.46
(XII)	Earning Per Equity Share (Nominal Value per Share:(Rs. 10)	II.7				
	1. Basic		2.39	25.04	4.67	4.63
	2. Diluted		2.39	25.04	4.67	4.63
Significant Accounting Policies						
Notes forming part of the Financial Statements						
As per our report of even date		For and on behalf of the Board				
For J S Maheshwari & Co		Stitched Textiles Limited				
Chartered Accountants		Sd/-		Sd/-		
Registration No. 001318C		Jaimin Gupta		Tarachand Agrawal		
Sd/-		Managing Director		Director		
		(DIN: 06833388)		(DIN: 00465635)		
CA Dilip Maliwal		Sd/-		Sd/-		
Partner		Shivani Pathak		Dharmesh Tripathi		
M No 148387		Company Secretary		CFO		
				(PAN: AEBPT6631H)		
Place - Ahmedabad		Place - Ahmedabad				
Date - 17th May, 2022		Date - 17th May, 2022				
UDIN: 22148387AKUHV7860						

ANNEXURE - III
Consolidated Statement of Changes in Equity, As Restated

(Rs. In Lakhs)

A. Equity Share Capital

As at 01.04.2018	1.00
Movement during the year on account of Bonus shares issued	-
As at 01.04.2019	1.00
Movement during the year on account of Bonus shares issued	-
As at 31.03.2020	1.00
Movement during the year	45.12
As at 31.03.2021	46.12
Movement during the year	558.74
As at 31.01.2022	604.86

B. Other Equity

Rs. In Lakhs

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 1st April,2018	-	0.61	0.61
Profit for the year	-	0.46	0.46
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	-	0.46	0.46
Appropriation: Proposed dividend on Equity shares	-	-	-
Tax on Dividend	-	-	-
Transferred to general reserve	-	-	-
Public Issue exp written off	-	-	-
Bonus shares issued	-	-	-
Balance as at 31st March,2019	-	1.08	1.08
Balance as at 1st April,2019	-	1.08	1.08
Profit for the year	-	0.47	0.47
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	-	0.47	0.47
Other Adjustment	-	0.06	0.06
Balance as at 31st March,2020	-	1.61	1.61
Balance as at 1st April,2020	-	1.61	1.61
Profit for the year	-	30.36	30.36
Addition	135.37	-	135.37
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	135.37	30.36	165.73
Public Issue exp written off	-	-	-
Balance as at 31st March,2021	135.37	31.97	167.34
Balance as at 1st April,2021	135.37	31.97	167.34
Addition	445.36	-	445.36
Less: Bonus shares issued	(524.22)	-	-524.22
Profit for the year	-	93.98	93.98
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	-	93.98	93.98
Public Issue exp written off	-	-	-
Balance as at 31st January, 2022	56.51	125.95	182.46

The accompanying notes are an integral part of the financial statements

As per our report of even date
For J S Maheshwari & Co
Chartered Accountants
Registration No. 001318C

Sd/-

CA Dilip Maliwal
Partner

For and on behalf of the Board
Stitched Textiles Limited

Sd/-
Jaimin Gupta
Managing Director
(DIN: 06833388)

Sd/-
Shivani Pathak

Sd/-
Tarachand Agrawal
Director
(DIN: 00465635)

Sd/-
Dharmesh Tripathi

M No 148387
Place - Ahmedabad
Date - 17th May, 2022
UDIN: 22148387AKUHXV7860
**Company
Secretary**
**Place -
Ahmedabad
Date - 17th May, 2022**
CFO
(PAN: AEBPT6631H)

ANNEXURE - IV				
CONSOLIDATED STATEMENT OF CASH FLOW, As Restated				
				Rs. In Lakhs
	31.01.2022	31.03.2021	31.03.2020	31.03.2019
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax as per Statement of Profit and Loss	127.12	41.24	0.72	0.67
Adjusted for:				
Finance Cost	33.20	3.26	1.37	0.61
Interest Income earned	(6.07)	(13.64)	-	-
Depreciation	3.05	1.50	1.81	1.14
Loss from Associate Company	-	0.50	-	-
Other Adjustment made in other equity	-	-	0.06	-
Operating Profit before working capital changes	157.30	32.87	3.96	2.41
Adjusted for:				
(Increase)/ Decrease in Trade Receivables	(2,290.92)	(247.36)	(69.58)	27.47
(Increase)/ Decrease in Inventories	(701.49)	(168.88)	(118.91)	(67.78)
Increase/ (Decrease) in Trade Payable	2,918.10	400.96	229.08	62.62
Increase/ (Decrease) in Other Current Assets	(187.86)	(241.52)	-	-
Increase/ (Decrease) in Other Current Liabilities	(179.18)	241.51	80.69	54.09
Increase/ (Decrease) in Provisions	50.16	7.26	(0.07)	1.70
Cash Generated from Operations	(233.90)	24.83	125.17	80.51
Adjusted for:				
Direct Tax Refund/(Paid) (Net of Payment)	(31.74)	(10.92)	(0.36)	(0.25)
Net Cash from Operating activities	(265.64)	13.92	124.81	80.26
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(85.60)	(5.00)	(0.84)	(3.40)
Interest Income earned	6.07	13.64	-	-
Increase in Investment	-	-	(0.50)	-
Sales of Fixed Assets	-	-	-	-
(Increase)/ Decrease in Loans	(69.77)	(750.96)	(98.82)	(36.32)
Net Cash Flow from Investing Activities	(149.30)	(742.32)	(100.16)	(39.72)
C. Net Cash Flow from Financing Activities				
Cash Flow from Financing activities:				
Borrowings (Net)	109.69	263.29	-	(57.09)
Finance Cost	(33.20)	(3.26)	(1.37)	(0.61)
Interest earned	-	-	-	-
Issue of Shares / Bonus shares	34.52	45.12	-	-
Increase/ (Decrease) in Share Premium A/c	445.36	135.37	-	-
(Repayments) / Other Long term liabilities	537.96	303.95	-	-
Earlier year adjustment from Reserve & Surplus	-	-	-	-
Net cash from Financing Activities	1,094.33	744.48	(1.37)	(57.70)
Net Increase/(Decrease) in cash	679.39	16.08	23.29	(17.16)
Opening Balance of Cash & Cash equivalents	57.91	41.83	18.54	35.70
Closing Balance of Cash & Cash equivalents	737.31	57.91	41.83	18.54
The accompanying notes are an integral part of the financial statements				
As per our report of even date		For and on behalf of the Board		
For J S Maheshwari & Co				
Chartered Accountants				
Registration No. 001318C				
Sd/-	Sd/-	Jaimin Gupta	Sd/-	Tarachand Agrawal
		Managing		Director
		Director		(DIN: 00465635)
		(DIN: 06833388)		
			Sd/-	
CA Dilip Maliwal		Sd/-		
Partner		Shivani Pathak		Dharmesh Tripathi
M No 148387		Company		CFO
		Secretary		

(PAN: AEBPT6631H)

Place - Ahmedabad

Date - 17th May, 2022

UDIN: 22148387AKUHXV7860

Place -

Ahmedabad

Date - 17th May, 2022

Annexure V

1. Background of the company:

M/s Stitched Textiles Limited is a Public Limited Company incorporated on 02 November, 2015. It is classified as Non-Government Company and is registered at Registrar of Companies, Ahmedabad. It involved in the Business of trading of Men's apparels, Retail chain brand in name of Barcelona & Trading.

2. Basis of Preparation of Financial Statements:

2.1 Statement of Compliance:

The Consolidated Financial Information of the Company comprises of the Consolidated Balance Sheet as at 31 January 2022, the related Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the period ended 31 January 2022 and the Summary of Significant Accounting Policies and explanatory notes and notes to consolidated other financial information (together referred to as Consolidated Financial Information).

The Consolidated Financial Information have been prepared on going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated Financial Information

The Consolidated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus (*DRHP) prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of its equity shares 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 (the "Guidance Note").

2.2 Principles of Consolidation:

The Consolidated Financial Information of the Company comprises of the Consolidated Financial Statements as at 31st January 2022.

When the company's Associate's Share of Losses in an equity accounted investment equals or exceeds its interest in the entity, while preparing consolidated financial statement, losses of the associates are accounted for to the extent investment value.

The Standalone Financial Statements and Consolidated Financial statements of The company for the ten months ended on January 31, 2022, Standalone Financial Statements of The Company for the financial year ended on March 31, 2021, 2020 & 2019 and Standalone Financial Statements of The Associate Company for the financial year ended on March 31, 2021, 2020 are prepared in accordance with Accounting Standards (Indian GAAP) and Consolidated Restated Financial Statements are prepared in accordance with Ind AS.

2.3 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of sale/lease
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of sale/lease
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.”

2.4 Use of Estimates:

The preparation of the Consolidated Restated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Restated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Restated financial statements have been disclosed below. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated financial statements.

3 Significant Accounting Policies:

3.1 Revenue Recognition

i. Revenue from contracts with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company identifies the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for products. Revenue from the sale of products is recognised when products are delivered to customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Contacts where the Company's obligation is to arrange for the provision of goods and services by another party, the Company recognizes revenue in the amount of the commission to which it expects to be entitled in exchange for arranging for the provision of goods and services.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Income from services are recognized as and when contractual obligation with respect to service contract are completed.

ii. Contract balances:

- Contract assets

A contract asset is the right to consideration in exchange for products or services transferred to the customer. If the Company performs by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

- Trade receivables A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

- Contract liabilities A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

3.2 Interest income

Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. Interest income is included under the head "Other income" in the statement of profit and loss.

3.3 Property, Plant & Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Advances paid towards the acquisition of Property, Plant & Equipment outstanding at each reporting date is classified as Capital advances under Other Non –Current Assets and assets which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work in Progress."

3.4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period/year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

3.5 Depreciation/ Amortization

Depreciation on Property, Plant & Equipment is charged on Straight Line Method. Depreciations are charged over the estimated useful lives of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis from/till the date they are put to commercial use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

Depreciation on additions/deletions to Property plant and equipment during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on Property plant and equipment arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life. Depreciation on refurbished/revamped Property plant and equipment which are capitalized separately is provide for over the reassessed useful life

3.6 Impairment Of Assets

Property, Plant & Equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

3.7 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

3.8 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost incurred in bringing each products to its present location and condition are accounted for as follows:-

Finished goods and Work In Progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

Traded Goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realizable values is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Restated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Profit or Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.10 Cash And Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise Cash and Cheques in hand, bank balances, demand deposits with banks (other than deposits pledged with government authorities and margin money deposits) with an original maturity of three months or less.

3.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.12 Provision

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

3.13 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

3.14 Earnings Per Share (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

3.15 Related Party Transactions

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

3.16 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided by Chief Financial Officer and Director of the Company jointly and responsible for allocating resources, assess the financial performance of the Company and make strategic decisions.

The Company has identified one reportable segment "trading of textile products" based on information reviewed by them.

3.17 Dividend

Dividend declared is provided in books of account when the same is approved by shareholders'.

3.18 Employee Benefits

Short term employee benefits

All short term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

Post Employee Obligations

The Company operates the following post-employment schemes:

i. Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

ii. Defined Benefit Plans

Gratuity obligations

The Company had an obligation towards gratuity – a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of an employment of an amount equivalent to 15 days salary payable for each completed years of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service and is payable thereafter on occurrence of any of above events.

As per information provided by the Company, there are no employees who have served more than 5 years.

Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement.

3.19 Foreign Currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period. Exchange differences on reinstatement of all monetary items are recognized in the Statement of Profit and Loss.

3.20 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.21 Financial Assets

Initial recognition and measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Classification

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

Financial assets at amortised cost

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value through other comprehensive income (OCI). Changes in fair values are recognized in OCI and on derecognition, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest income calculated using EIR and impairment loss, if any, are recognized in the Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognized in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing for financial assets.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivable, trade receivable other contractual rights to receive cash or other financial assets. For trade receivable, the Company measures the loss allowance at an amount equal to life time expected credit losses. Further, for the measuring life time expected credit losses allowance for trade receivable the Company has used a practical expedient as permitted under Indian AS 109. This expected credit loss allowance is computed based on provisions, matrix which takes into account historical credit loss experience and adjusted for forward looking information.

If, share of losses of an associate equals or exceeds the carrying amount of the investment, the Company ordinarily discontinues recognising its share of further losses and the investment is reported at nil value. The associate

subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognised.

3.22 Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at amortized cost unless at initial recognition, they are classified as fair value through profit or loss. In case of trade payables they are initially recognize at fair value and subsequently, these liabilities are held at amortized cost, using the Effective interest method.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortized cost using the effective interest method. Interest expense is recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on subsequently different terms, or the terms of an existing liability are subsequently modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amount is recognize in the Statement of Profit & Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

3.23 Events occurring after Balance sheet Date

The Company had changed its Memorandum and Article of Association wherein Face value of Equity shares Rs. 10 each has been reduced to Rs. 1 each.

3.24 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee: The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of non-financial assets.

ii. Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short term leases and leases of low value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases where the underlying asset is considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Sub-lease

At the commencement date, the Company recognises assets held under a sub-lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. The Company uses the interest rate implicit in the lease to measure the net investment in the lease. In case if the interest rate implicit in the sublease cannot be readily determined, the Company being an intermediate lessor uses the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- fixed payments less any lease incentives payable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties, if any, for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on net investment in the lease.

Net investment in the lease are subject to the derecognition and impairment requirements in Ind AS 109. The Company regularly reviews estimated unguaranteed residual values, if any, used in computing the gross investment in the lease and adjusts the income allocation accordingly.

3.25 Segment reporting policies

The Company drives synergy across fulfilment models, sales channels and product categories and accordingly the management reviews and allocates resources based on Omni business and Omni channel strategy, which in the terms of Ind AS 108 on 'Operating Segments' constitutes a single reporting segment

3.26 Share capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

3.27 Provision for expected credit losses of trade receivables and contract assets

The Company uses a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

3.31 Utilisation of Borrowed Fund or Equity Capital and purpose:

Borrowed Fund: The Company has not taken any Loan from Bank or Financial Institution during the period under review.

Equity Capital: The Company has raised Rs.5,58,73,950 as Equity share capital for working capital requirements.

3.32 Compliance with number of layers of companies: . The Company does not have any Subsidiary Company.

3.33 Registration of charges or satisfaction with Registrar of Companies – There is no charge created by the Company.

3.34 Relationship with Struck off Companies: Not Applicable

3.35 Wilful Defaulter : The Company has not been declared as Wilful Defaulter by any Bank or Financial Institutions or Government or any Government Authority.

3.36 Details of Benami Property held : No proceedings have been initiated during the year or are pending against the Company as at January 31, 2022 for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

3.37 Capital WIP : Not Applicable

3.38 Intangible assets under development : Not Applicable

Annexure –VI

Notes to the Re-stated Financial Statements:

- I.** The Company had not prepared Consolidated Financial Statement for the financial year ended on March 31, 2021 & 2020. However for the purpose of restated financial statements we have considered Financial figures of Associate Company M/s Viru Retail Private Limited as given by the Management.
- II. Non-adjustment Items:**
No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.
- III. Material Regroupings:**
Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits 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 requirements of the SEBI Regulations.
- IV. Material Adjustments in Restated Profit & Loss Account:**

Particulars	(Rs. In lakhs)			
	For the Period Ended			
	31-01-2022	31-03-2021	31-03-2020	31-03-2019
Profit After Tax as per Books of Accounts	93.98	30.36	0.47	0.46
Adjustment for provision of Depreciation	-	-	-	-
Adjustment for provision of Income Tax	-	-	-	-
Adjustment for provision of Deferred Tax	-	-	-	-
Profit After Tax as per Restated	93.98	30.36	0.47	0.46

- V. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**
- Based on the information available with the Company in respect of MSME (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprise during the year.
 - The identification of Micro, Small and Medium Enterprises Suppliers as defined under “The Micro, Small and Medium Enterprises Development Act, 2006” is based on the information available with the management. As certified by the management, the amounts overdue as on 31st January, 2022 to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil.
- VI.** Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.
- VII.** The balance of Sundry Creditors, Sundry Debtors, Loans Advances, Unsecured Loans, and Current Liabilities are subject to confirmation and reconciliation.
- VIII.** As required under SEBI (ICDR) Regulations, the Consolidated statement of assets and liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.
- IX. Expenditure in Foreign Currency:** Nil
- X. Earnings in Foreign Exchange:** Nil
- XI. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits**
Balances of Trade Receivables, Trade Payables, Borrowings and Loans & Advances and Deposits are subject to confirmation.
- XII. Re-grouping/re-classification of amounts**
The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee.

XIII. Examination of Books of Accounts& Contingent Liability

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

XIV. Director Personal Expenses

There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

"I.1" Restated statement of Property, Plant & Equipment

PARTICULARS	Rs In Lakhs							
	Plant & Machinery	Electric Installation & Air Condition	Furniture & Fixtures	Mobile	Computer & Software	Office Equipment	TOTAL TANGIBLE ASSETS	CAPITAL WORK IN PROGRESS
Deemed cost as at April 01, 2018	2.25	-	5.15	-	-	-	7.40	-
Additions	-	0.69	2.15	-	0.55	-	3.40	-
Disposals	-	-	-	-	-	-	-	-
Gross Carrying Amount as at 01st April, 2019	2.25	0.69	7.30	-	0.55	-	10.80	-
Additions	-	-	0.28	0.56	-	-	0.84	-
Disposals	-	-	-	-	-	-	-	-
Gross Carrying Amount as at March 31,2020	2.25	0.69	7.58	0.56	0.55	-	11.63	-
Additions	-	-	5.00	-	-	-	5.00	-
Disposals/ Deduction	-	-	-	-	-	-	-	-
Gross Carrying Amount as at March 31,2021	2.25	0.69	12.58	0.56	0.55	-	16.63	-
Additions	9.62	5.90	58.51	1.58	10.20	-	85.80	-
Disposals/ Deduction	-	-	-	-	0.20	-	0.20	-
Gross Carrying Amount as at January 31,2022	11.87	6.59	71.08	2.14	10.55	-	102.23	-
Accumulated Depreciation/ Amortization and Impairment								
Balance as at April 01,2018	1.03	-	2.25	-	-	-	3.28	-
Depreciation for the year	0.22	0.02	0.80	-	0.09	-	1.14	-
Depreciation on Disposals	-	-	-	-	-	-	-	-
Balance as at April 01,2019	1.25	0.02	3.05	-	0.09	-	4.42	-
Depreciation for the year	0.18	0.17	1.13	0.04	0.29	-	1.81	-
Depreciation on Disposals	-	-	-	-	-	-	-	-
Balance as at March 31,2020	1.43	0.20	4.19	0.04	0.38	-	6.23	-
Depreciation for the year	0.15	0.13	0.98	0.14	0.11	-	1.50	-
Depreciation on Disposals	-	-	-	-	-	-	-	-
Balance as at March 31,2021	1.58	0.33	5.17	0.17	0.49	-	7.73	-
Depreciation for the year	0.50	0.15	1.47	0.20	0.74	-	3.06	-
Depreciation on Disposals	-	-	-	-	-	-	-	-
Balance as at January 31,2022	2.07	0.48	6.64	0.37	1.23	-	10.79	-
Net Carrying Amount								
As at January 31,2022	9.79	6.11	64.44	1.77	9.32	-	91.44	173.09
As at March 31,2021	0.67	0.37	7.41	0.39	0.06	-	8.90	-
As at March 31,2020	0.82	0.50	3.39	0.53	0.17	-	5.40	-
As at March 31,2019	1.00	0.67	4.25	-	0.46	-	6.38	-
As at March 31,2018	1.22	-	2.90	-	-	-	4.12	-

		(Rs In Lakhs)			
		As At 31.01.2022	As At 31.03.2021	As At 31.03.2020	As At 31.03.2019
"I.2"	Restated statement of Deferred Tax Assets				
	Opening Balance	-	0.48	0.37	-
	Add:				
	Timing Difference between tax WDV and carrying values of Property, Plant and Equipments	-	0.04	0.11	0.37
	Closing Balance	-	0.52	0.48	0.37
"I.3"	Restated statement of Non Current Financial Assets - Investments				
	Investment in Associate Company				
	Equity shares in Viru Retail Private Limited	0.35	0.50	0.50	-
	Add (Less) : Share of Profit (Loss) of Associate	(0.35)	(0.50)	-	-
		-	-	0.50	-
	Particulars	31.01.2022	31.03.2021	31.03.2020	31.03.2019
	Number of Shares	3,500.00	3,500.00	5,000.00	-
	% of Holding	35%	35%	50%	-
"I.4"	Restated statement of Non Current Loans				
	Unsecured, considered good				
	Security Deposits	10.34	4.28	1.23	2.60
		10.34	4.28	1.23	2.60
"I.5"	Restated statement of Inventories				
	(As taken, valued & certified by the Management)				
	(At lower of cost and net realisable value)				
	Stock in trade	1,080.87	379.38	210.50	91.59
		1,080.87	379.38	210.50	91.59
"I.6"	Restated statement of Trade Receivables				
	Unsecured, considered good:				
	(i) Undisputed Trade Receivables Considered Good				
	Less than 6 months	2,203.24	226.91	65.81	56.35
	6 months to 1 year	143.02	61.13	87.34	27.22
	Outstanding for more than 1 year	345.15	112.46	-	-
	(ii) Undisputed Trade Receivables Considered Doubtful	-	-	-	-
	(iii) Disputed Trade Receivables Considered Good	-	-	-	-
	(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-
		2,691.41	400.50	153.15	83.57
"I.7"	Restated statement of Cash and cash equivalents				
	Balances with Bank				
	- In Current Accounts	649.75	0.34	4.88	1.00
	Cash on hand	40.46	12.57	36.96	17.55
	In Fixed Deposits	47.11	45.00	-	-
		737.31	57.91	41.83	18.54
"I.8"	Restated statement of Current Loans				
	Unsecured, considered good				
	Advances recoverable in cash or in kind for value to be received				
	Statutory Authorities	46.34	17.78	5.82	2.83
	Interest Receivable	-	-	-	-
	Prepaid Expense	-	-	0.10	-
	Advance to Suppliers	-	-	159.20	66.18
	Advance Tax	1.08	1.01	-	-
	Others	948.37	913.29	19.05	14.96
		995.79	932.08	184.16	83.97
"I.9"	Restated statement of Other Current Assets				
	Advance paid to creditors	429.38	241.52	-	-
		429.38	241.52	-	-

"I.10" Restated statement of Equity Share Capital
Authorised

Equity Shares of Rs.10 each

Number of Shares	1,00,00,000	12,50,000	1,00,000	1,00,000
Amount	1,000.00	125.00	10.00	10.00

Issued, Subscribed & Fully paid up

Equity Shares of Rs.10 each, fully paid

Amount	604.86	46.12	1.00	1.00

(a) Reconciliation of Number of Shares

	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Balance as at the beginning of the Year	4,61,249	10,000	10,000	10,000
Issued During the Year	3,45,237	4,51,249	-	-
Bonus Issue	52,42,158	-	-	-
Balance as at the end of the Year	60,48,644	4,61,249	10,000	10,000

(b) Details of Share holding more than 5% Shares:-

Jaimin Kailash Gupta	49,18,867 (81.32%)	2,74,750 (59.57%)	1,000 (10%)	10,000 (100%)
Tridhya Tech Private Limited	7,04,902 (11.65%)	-	-	-
Tarachand Gangasahay Agrawal	-	71,500 (15.5%)	9,000 (90%)	-
Qmin Pharma Private Limited	-	1,14,999 (24.93%)	-	-

(b) Share holding of Promoter

Jaimin Kailash Gupta	49,18,867 (81.32%)	2,74,750 (59.57%)	1,000 (10%)	10,000 (100%)

(c) Rights, preferences and restrictions attached to shares :-

The Company has only one class of equity shares having par value of ` 10 each and the holder of the equity share is entitled to one vote per share. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

"I.11" Restated statement of Other Equity

Particulars	Securities Premium	Revaluation Reserve	Capital Reserve	Retained Earnings	Total
Balance as at 1st April,2018	-	-	-	0.61	0.61
Profit for the year	-	-	-	0.46	0.46
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	0.46	0.46
Appropriation: Proposed dividend on Equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-
Public Issue exp written off	-	-	-	-	-
Bonus shares issued	-	-	-	-	-
Balance as at 31st March,2019	-	-	-	1.08	1.08
Balance as at 1st April,2019	-	-	-	1.08	1.08
Profit for the year	-	-	-	0.47	0.47
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	0.47	0.47
Other Adjustment	-	-	-	0.06	0.06
Balance as at 31st March,2020	-	-	-	1.61	1.61
Balance as at 1st April,2020	-	-	-	1.61	1.61
Addition	135.37	-	-	-	135.37
Profit for the year	-	-	-	30.36	30.36
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	30.36	30.36
Public Issue exp written off	-	-	-	-	-
Balance as at 31st March,2021	135.37	-	-	31.97	167.34

Balance as at 1st April,2021	135.37	-	-	31.97	167.34
Addition	445.36				445.36
Less: Bonus shares issued	(524.22)				(524.22)
Profit for the year	-	-	-	93.98	93.98
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	93.98	93.98
Public Issue exp written off	-	-	-	-	-
Balance as at 31st January, 2022	56.52	-	-	125.95	182.46

	As At 31.01.2022	As At 31.03.2021	As At 31.03.2020	As At 31.03.2019
"I.12" Restated statement of Non Current Financial Liabilities :				
Trade Payable				
Trade Payable	-	-	-	13.21
	-	-	-	13.21
	As At 31.01.2022	As At 31.03.2021	As At 31.03.2020	As At 31.03.2019
"I.13" Restated statement of Deferred Tax Liabilities (net)				
Opening Balance				
Add:				
Timing Difference between tax WDV and carrying values of Property, Plant and Equipments	0.88	-	-	-
Closing Balance	0.88	-	-	-
	As At 31.01.2022	As At 31.03.2021	As At 31.03.2020	As At 31.03.2019
"I.14" Restated statement of Non Current Liabilities				
Long term Deposits	149.71	28.78	-	-
Other Deposits	692.19	275.17	-	-
	841.91	303.95	-	-
"I.15" Restated statement of Current Financial Liabilities - Borrowings				
Overdraft Bank Limit	-	6.21	-	-
Inter Corporate Deposit	324.75	239.72	-	-
Others	52.44	21.56	4.20	4.20
	377.19	267.49	4.20	4.20
"I.16" Restated statement of Current Liabilities - Trade Payables				
Unsecured, repayable on Demand:				
i] Due to Micro and Small Enterprises				
Outstanding for less than 1 year	445.84	-	87.15	-
Outstanding for more than 1 year				
ii] Other than due to Micro and Small Enterprises				
Outstanding for less than 1 year	3,167.64	714.82	237.59	137.10
Outstanding for more than 1 year	150.96	131.53	120.65	66.00
iii] Disputed dues- MSME	-	-	-	-
iv] Disputed dues- Others	-	-	-	-
	3,764.44	846.35	445.39	203.10
"I.17" Restated statement of Other Current Liabilities				
(i) Advance from Customer	202.57	380.15	72.53	18.52
(ii) Security Deposit	-	-	66.12	39.31
(iii) Other Payable	-	1.60	1.60	1.72
	202.57	381.75	140.24	59.55
"I.18" Restated statement of Current Provisions				
(i) Unpaid Bonus	-	-	0.67	0.67
(ii) Provisions for Audit Fee	-	-	0.60	0.60
(iii) Provisions for Income Tax	42.63	10.89	0.36	0.25
(iv) Unpaid director remuneration	-	-	3.00	3.07
(v) Statutory dues	19.26	1.19	0.19	0.30
(vi) Provision for Exp.	0.35	-	-	-
	62.24	12.08	4.83	4.89

(Rs In Lakhs)

"II.1" Restated statement of Revenue from Operations

	As At 31.01.2022	As At 31.03.2021	As At 31.03.2020	As At 31.03.2019
a) Sale of Products (Net)	6,545.70	1,232.89	680.76	303.92
b) Sale of Services	-	-	-	-
c) Less: Branch Transfer	(707.62)	-	-	-
	5,838.08	1,232.89	680.76	303.92

"II.2" Restated statement of Other Income

a) Interest income	6.07	13.64	-	-
b) Scheme/Discount received	5.49	23.27	-	0.04
c) Excess Provision written off	-	-	0.15	-
d) Round off	-	0.01	-	-
e) cancellation charges	-	-	0.25	-
	11.56	36.92	0.40	0.04

"II.2" Restated statement of Purchase of Traded Goods

Purchase of Goods	6,384.42	1,265.52	718.94	294.06
Less: Branch Transfer	(707.62)	-	-	-
	5,676.80	1,265.52	718.94	294.06

"II.3" Restated statement of Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade

Stock at the beginning of the year				
Stock in trade	379.38	210.50	91.59	23.81
Total-A	379.38	210.50	91.59	23.81
Stock at the end of the year				
Stock in trade	1,080.87	379.38	210.50	91.59
Total-B	1,080.87	379.38	210.50	91.59
(Increase) / Decrease in Stocks (A-B)	(701.50)	(168.88)	(118.91)	(67.78)

"II.4" Restated statement of Employees Benefits Expenses

(a) Directors Remuneration	7.00	6.00	3.00	-
(b) Salaries and Bonus	131.55	30.57	32.06	37.16
(c) Employees Welfare & other Amenties	6.70	0.23	1.97	1.10
	145.2484	36.80	37.03	38.26

"II.5" Restated statement of Finance Cost

Interest Expenses	32.88	3.26	0.04	0.28
Bank Charges	0.32	-	1.32	0.33
	33.20	3.26	1.37	0.61

	As At 31.01.2022	As At 31.03.2021	As At 31.03.2020	As At 31.03.2019
"II.6" Restated statement of Other Expenses				
Advertisement Exp.	96.10	2.15	4.34	1.08
Barcode Expense	1.21	0.31	-	0.30
Branding Expense	4.21	1.54	1.48	1.26
Business Promotion	6.73	-	1.94	0.52
Commission Exp.	161.26	8.23	0.37	3.15
Conveyance & Travelling Exp.	4.06	3.75	5.74	4.69
Donation	30.00	0.04	-	-
Power & Fuel Exp.	4.71	0.28	3.90	2.23
Fixed Franchisee Expense	48.50	22.58	-	-
Insurance Premium Exp.	-	0.13	0.42	0.34
Internet, Communication & Software Exp.	13.20	0.53	0.33	1.37
Job work charges	9.25	-	0.69	1.21
Legal Expense	18.14	2.74	0.42	0.12
Miscellaneous Exp.	3.72	-	3.52	2.72
Office Exp.	15.76	2.71	3.38	4.23
Packing Material Exp.	12.73	-	-	0.28
Payment to Auditors	-	-	0.30	0.30
Professional & Technical Fee	4.95	4.33	-	0.66
Rent, Rates & Taxes Exp.	81.40	29.69	5.98	5.36
Repairs & Maintenance	3.85	0.69	0.34	2.47
Showroom, Store & Godown Exp.	18.09	5.35	0.74	0.90
Stationery, Printing & Courier Exp.	3.35	1.97	3.00	0.84
Sundry Balance written off	0.57	2.11	0.01	0.01
Tea & Refreshment Exp.	2.96	-	0.73	0.69
Transportation Exp.	21.11	0.73	2.56	2.27
	565.87	89.86	40.19	37.00
"II.7" Restated statement of Earning Per Equity Share				
1. Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	93.98	30.36	0.47	0.46
2. Number of equity shares used as denominator for calculating EPS	39,31,641	1,21,267	10,000	10,000
3. Basic and Diluted Earning per Share	2.39	25.04	4.67	4.63
4. Face Value per equity share (in Rs)	10.00	10.00	10.00	10.00

ANNEXURE –VII
Statement of Accounting & Other Ratios, As Restated
Rs. In Lakhs

Particulars	31-01-2022	31-03-2021	31-03-2020	31-03-2019
Net Profit as Restated	93.98	30.36	0.47	0.46
Add: Depreciation and amortization expenses	3.05	1.50	1.81	1.14
Add: Interest on Loan	32.88	3.26	0.04	0.28
Add: Income Tax	33.14	10.88	0.25	0.20
EBITDA	163.05	46.01	2.58	2.09
EBITDA Margin (%)	2.79%	3.73%	0.38%	0.69%
Net Worth as Restated	787.33	213.47	2.61	2.08
Return on Net worth (%) as Restated	11.94%	14.22%	17.91%	22.29%
Equity Share at the end of year (in Nos.)	60.49	4.61	0.10	0.10
Weighted No. of Equity Shares	39.32	1.21	0.10	0.10
Basic & Diluted Earnings per Equity Share as Restated	2.39	25.04	4.67	4.63
Net Asset Value per Equity share as Restated	13.02	46.28	26.09	20.77

Note:-

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.

Ratios

Particulars	31.01.2022	31.03.2021	31.03.2020	31.03.2019
(a) Current Ratio,	1.35	1.33	0.99	1.02
(b) Debt-Equity Ratio,	1.07	1.42	-	6.36
(c) Return on Equity Ratio,	11.94%	14.22%	17.91%	22.29%
(d) Inventory turnover ratio,	6.81	3.72	3.97	3.92
(e) Trade Receivables turnover ratio,	3.78	4.45	5.75	3.12
(f) Trade payables turnover ratio,	2.46	1.96	2.22	1.65
(g) Net profit ratio,	1.61%	2.46%	0.11%	0.22%

Particulars

- (a) Current Ratio,
 (b) Debt-Equity Ratio,
 (c) Return on Equity Ratio,
 (d) Inventory turnover ratio,

- (e) Trade Receivables turnover ratio,

- (f) Trade payables turnover ratio,

- (g) Net profit ratio,

Numerator

Current Assets
 Total Debt
 Net Income
 Cost of Goods sold
 Net credit sales
 Net credit Purchase
 Net Profit

Denominator

Current Liabilities
 Total Shareholder's Equity
 Shareholder's equity
 Average Inventory
 Average Trade Receivable
 Average Trade Payable
 Sales

Net Operating Income=Revenue–COE

COE=Certain operating expenses

Total Debt Service=Current debt obligations

ANNEXURE –VIII

Statement of Capitalization, As Restated

Particulars	Pre-Issue	Post Issue*
	31-01-2022	
Debt :		
Short Term Debt	377.19	[●]
Long Term Debt	-	-
Total Debt	377.19	-
Shareholders Funds		
Equity Share Capital	604.86	[●]
Reserves and Surplus	182.46	[●]
Less: Misc. Expenditure	-	-
Total Shareholders' Funds	787.33	[●]
Long Term Debt/ Shareholders' Funds	-	/●/
Total Debt / Shareholders Fund	0.48	/●/

* Assuming Full Allotment of IPO shares

ANNEXURE –IX
Statement of Tax Shelter, As Restated

Particulars	As At			
	31-01-2022	31-03-2021	31-03-2020	31-03-2019
Profit Before Tax as per books of accounts (A)	127.12	41.24	0.72	0.67
-- Normal Tax rate	26.00%	26.00%	26.00%	26.00%
-- Minimum Alternative Tax rate	15.60%	15.60%	15.60%	19.24%
Permanent differences				
Other adjustments	0.70	-	-	-
Prior Period Item				
Loss on Sale of Investment	-	0.50	-	-
Total (B)	0.70	0.50	-	-
Timing Differences				
Depreciation as per Books of Accounts	3.05	1.50	1.81	1.14
Depreciation as per Income Tax	8.63	1.36	1.22	0.96
Difference between tax depreciation and book depreciation	(5.58)	0.14	0.59	0.18
Other adjustments	-	-	-	-
Foreign income included in the statement	-	-	-	-
Total (C)	(5.58)	0.14	0.59	0.18
Net Adjustments (D = B+C)	(4.88)	0.64	0.59	0.18
Total Income (E = A+D)	122.24	41.89	1.31	0.85
Brought forward losses set off (Depreciation)	-	-	-	-
Tax effect on the above (F)	-	-	-	-
Taxable Income/ (Loss) for the year/period (E+F)	122.24	41.89	1.31	0.85
Tax Payable for the year	31.78	10.89	0.34	0.22
Tax payable as per MAT	19.83	6.43	0.11	0.13
Tax expense recognised	31.74	10.89	0.36	0.25
Tax payable as per normal rates or MAT (whichever is higher)	Income Tax	Income Tax	Income Tax	Income Tax

ANNEXURE –X

Statement of Related Parties & Transactions

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per indian accounting standard 24 issued by Institute of Chartered Accountants of India.

Name of the key managerial personnel/Entity	Relationship
Tarachand Gangasahay Agrawal (w.e.f.16th August,2019)	Director
Jaimin Kailash Gupta (w.e.f.2nd November, 2015)	Managing Director
Raj Arjanbhai Ahir (w.e.f.14th December, 2021)	Director
Shivani Pathak (w.e.f.1st January, 2022)	Company secretary
Dharmesh Tripathi (w.e.f.1st January, 2022)	Chief Financial Officer
Bharti Gupta	Mother Of Director
Kresha Gupta	Sister Of Director
Vaxtex Cotfab Limited	Director is KMP Of The Company
Vax Fashion Pvt Ltd	Common Director
7NR Retail Ltd	Common Director
Brand Cluster LLP	Director is Partner
Kailash Gupta HUF	Director is Member
Tarachand Agrawal HUF	Director is Karta
Vaxtex Cotfab - Partnership Firm	Director is Partner
Qmin Pharma Pvt Ltd	Director's Mother is Member
Vax Enterprise Pvt Ltd (Formerly known as Miracle Stores Pvt Ltd)	Director's Mother is Member
Viru Retail Pvt Ltd	Associate Company
Jheeldevi Nidhi Ltd	Common Director
Fountain Commerce Pvt Ltd	Common Director
Hillary Fashion	Director is proprietor

Transactions with Related Parties:

Particulars	31-01-2022	31-03-2021	31-03-2020	31-03-2019
Remuneration paid:				
Jaimin Kailash Gupta	7.00	6.00	-	2.93
Dharmesh Tripathi	0.40	-	-	-
Shivani Pathak	0.30	-	-	-
Purchase of Goods				
Vaxtex Cotfab Limited	244.83	325.65	292.38	6.22
7NR Retail Ltd	65.32	-	-	-
Vax Enterprise Pvt Ltd (Formerly known as Miracle Stores Pvt Ltd)	81.89	275.80	-	-
Qmin Pharma Pvt Ltd	-	-	327.81	-
Sale of Goods				
Vax Fashion Private Limited	1,308.90	45.14	-	-
Vaxtex Cotfab Limited	381.71	400.71	460.81	78.55
7NR Retail Ltd	711.13	-	-	-
Brand Cluster LLP	1,023.57	-	-	-
Qmin Pharma Pvt Ltd	104.08	223.65	115.60	-
Vax Enterprise Pvt Ltd	584.98	-	-	-
Viru Retail Pvt Ltd	-	8.38	-	-
Purchase of Fixed Assets				
7NR Retail Ltd	66.04	-	-	-
Advances Given				
Kresha Gupta	3.00	9.00	9.00	-
Bharti Gupta	31.60	39.10	174.00	14.26
Jaimin Kailash Gupta	53.14	29.64	27.63	24.88
Vaxtex Cotfab Limited	207.64	504.25	231.91	184.07
Tarachand Gangasahay Agrawal	-	-	0.50	-
Viru Retail Pvt Ltd	21.75	-	-	-

Advances Received	-	-	-	-
Kresha Gupta	11.30	0.39	9.31	-
Bharti Gupta	30.48	18.30	28.68	5.00
Jaimin Kailash Gupta	44.56	26.95	27.80	26.24
Vaxtex Cotfab Limited	129.90	216.33	443.36	211.27
Vax Fashion Private Limited	-	-	5.00	-
Tarachand Gangasahay Agrawal	-	-	7.00	-
Viru Retail Pvt Ltd	1.00	-	-	-
Brand Cluster LLP	-	1.50	-	-
Vaxtex Cotfab	-	-	7.50	-
Outstanding Balances				
Outstanding Tarde Receivables				
Vax Fashion Private Limited	667.92	56.67	-	-
Vaxtex Cotfab Limited	-	-	26.26	-
Brand Cluster LLP	738.26	-	-	-
Qmin Pharma Pvt Ltd	193.56	-	-	-
Vax Enterprise Pvt Ltd	474.19	-	-	-
Qmin Pharma Pvt Ltd	-	170.31	-	-
Hillary Fashion	6.72	6.72	6.72	-
Outstanding Loan/Advance				
Kresha Gupta	-	8.30	-	-
Bharti Gupta	-	-	-	6.76
Outstanding Loan (liability)				
Vaxtex Cotfab Limited	-	-	76.17	13.21
Brand Cluster LLP	-	1.50	-	-
Outstanding Trade Payable				
Jaimin Kailash Gupta	2.00	3.48	0.18	-
Vaxtex Cotfab Limited	435.15	-	-	-
Bharti Gupta	-	1.12	-	-
Kresha Gupta	-	-	0.31	-
Vax Fashion Private Limited	-	-	5.00	-
7NR Retail Ltd	410.84	-	-	-
Brand Cluster LLP	-	-	-	-
Vaxtex Cotfab - Partnership Firm	-	7.50	7.50	-

ANNEXURE –XI

Statement of Dividends

No Dividend Paid till Date

ANNEXURE –XII

Changes in the Significant Accounting Policies

There have been no changes in the accounting policies of the company for the period covered under audit.

ANNEXURE –XIII

Contingent Liabilities:

Nil

FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited Financial Statements, loan agreements and sanction letters approved by the banks/ financial institutions, confirmations on outstanding loan amount from group companies, bank statements and bank balance confirmations on outstanding loan amount and other relevant records of the issuer company, we confirm the following:

No.	Nature of Borrowing	Sanctioned Amount	Outstanding Amount as on January 31, 2022	Outstanding Amount as on March 31, 2021
Stitched Textiles Limited				
I	Fund based			
	Term Loan	-	-	-
	Working Capital Term Loan	-	-	-
	Funded Interest Term Loan	-	-	-
	Bank Overdraft	-	-	6,21,215
	Total fund based	-	-	6,21,215
II	Non-fund based	-	-	-
	Bank Guarantee / Corporate Guarantee	-	-	-
	Total non-fund based	-	-	-
	Total (I+II) (A)	-	-	6,21,215
Subsidiary,				
III	Fund based			
		-	-	-
	Non-fund based			
	Total (B)	-	-	-
Step down Subsidiary,				
IV	Fund based			
		-	-	-
	Non-fund based			
	Total non-fund based (C)	-	-	-
	Total (A+B+C)	-	-	6,21,215

Details of Unsecured Borrowings

No.	Name of the Company	Outstanding Amount as on January 31, 2022	Outstanding Amount as on March 31, 2021
I	Stitched Textiles Limited		
	Loan from Director	-	-
	Loan from Related Parties	-	-
	Loan from Others	377,18,612	261,28,226
	Total	377,18,612	261,28,226

Principal Terms of Bank Overdraft:

Bank Overdraft has been sanctioned against Fixed Deposit placed in IndusInd Bank Limited during F.Y. 2020-21.

Details of Unsecured Borrowings

Name of Lender	Purpose	Re-Payment Terms	Outstanding as on January 31, 2022	Outstanding as on March 31, 2021	Rate of Interest
Galaxy Consolidated Finance Limited	Working Capital Requirement	Payable on Demand	40,36,466	-	9% p.a
Swastik Tradelink Pvt. Limited	Working Capital Requirement	Payable on Demand	16,12,808	15,00,000	9% p.a
Vax Housing Finance	Working Capital Requirement	Payable on Demand	8,23,852	4,20,000	9% p.a
Aryavan Enterprise Ltd.	Working Capital Requirement	Payable on Demand	1,47,21,489	1,36,91,791	9% p.a
Asya Infosoft Limited	Working Capital Requirement	Payable on Demand	37,80,000	37,80,000	0% p.a.
Daywind Enterprise Private Limited	Working Capital Requirement	Payable on Demand	49,99,997	49,99,997	0% p.a.
Greenhouse Store	Working Capital Requirement	Payable on Demand	950,000	950,000	0% p.a.
Biz Hub Private Limited	Working Capital Requirement	Payable on Demand	25,00,000	-	0% p.a.
Mateshwari Creation	Working Capital Requirement	Payable on Demand	37,30,000	-	0% p.a.
Mukharji and Associates	Working Capital Requirement	Payable on Demand	1,64,000	-	0% p.a.
Parul Enterprise	Working Capital Requirement	Payable on Demand	4,00,000	-	0% p.a.
Prajapati Rajesh	Working Capital Requirement	Payable on Demand	N.A.	7,86,438	0% p.a.
Total			3,77,18,612	2,61,28,226	

For M/s J S Maheshwari & Co
Chartered Accountants
FRN: 001318C

Sd/-

Dilip Maliwal
Partner
Membership No. 148387
Place: Ahmedabad
Date: 17th May, 2022
UDIN: 22148387AKUHXV7860

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Summary Statements on page 194. Unless otherwise indicated or the context requires otherwise, the financial information included herein for financial years 2019, 2020 and 2021, and the ten months ended January 31, 2022, is based on our Restated Consolidated Summary Statements, included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 194.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 18. Also read "Risk Factors" and "Significant Factors Affecting our Results of Operations and Financial Condition" on pages 25 and 230, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that particular year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "the Company" or "our Company" refers to Stitched Textiles Limited. We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Summary Statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Such information may vary from similar information publicly disclosed by us in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Summary Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Market Report on Textile and Apparel Industry" dated June 10, 2022 (the "ITCOT Report"), prepared and issued ITCOT Limited appointed on May 26, 2022, and exclusively commissioned by and paid for by us in connection with the Offer. The ITCOT Report is available on the website of our Company at www.barcelonaclub.in. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 15.

OVERVIEW

Our company was initially established in the year 2015 as One Person Company Stitched Textiles (OPC) Private Limited founded by Mr. Jaimin Kailash Gupta and later expanded its operations and converted to Stitched Textiles Private Limited in the year 2019 and later in 2022, it was converted to a public limited Company by the name Stitched Textiles Limited. Our Company is well known by the brand name "BARCELONA" which personifies style, attitude, luxury and comfort.

Our Company is mainly into Menswear and deals in Suiting and shirting fabrics along with Garments in product categories such as Shirts, Denims, T-shirts, trousers, Cotton pants, Accessories etc. and operates 85 stores in franchisee model in more than 50 cities in India, as of now.

Our Company is in the business of trading of fabrics to wholesalers and trading and manufacturing through out-sourcing model (Job-work) by way of wholesale and retail selling of garments through its network of Exclusive Brand Outlets (EBO) under the name of BARCELONA. Our Company has started online trading through its own website at www.barcelonaclub.in for retail sales and through its B2B Application particularly for retailers and wholesalers who purchase in bulk for onward sales to end use customers. Further, our brands also sold through online e-commerce platforms like Amazon, Flipkart and Meesho.

We offer stylish, branded quality apparel at reasonable prices and our mission is to become the #1 Menswear company in India. We are committed to superior customer service, innovation and quality. We are currently targeting Tier-2, Tier-3 cities dedicated to providing value to customers with the Classic and Luxury product ranges.

Our Company mainly sources fabric from the local markets of Ahmedabad and outsources its job work to the Manufacturers at Ahmedabad, Mumbai, New Delhi, Punjab, etc. under the supervision of company personnel for designs and quality control. The finished products are then branded and delivered at our Company Warehouse. After Quality checking at our Warehouse, the products are further dispatched as per orders from various buyers and at our franchise stores as per requirement of the store. Our Company develops fabrics and garments through outsourcing model for its stores, crafted by proficient people. It is a known fashion house and dedicated towards providing value to customers with its classic and luxury products range.

Our Company presently has warehouse, at Ahmedabad for the purpose of storing sourced textiles as well as finished goods (garments). The finished products are then shipped and sold through various retail stores under the brand name 'BARCELONA', many of which are owned and operated by franchisees. The Company believes that there will be no situation of inventory getting out of stock as we have central inventory management system and we can deliver order from any of our stores directly to the consumer.

Our Company operates its retail EBO and MBO stores through various business models like FOFO, FOCO, COCO and SiS. The company deals Products like Shirts, denims, T-shirts, Shorts, Boxers, Cotton pants, trousers, are traded.

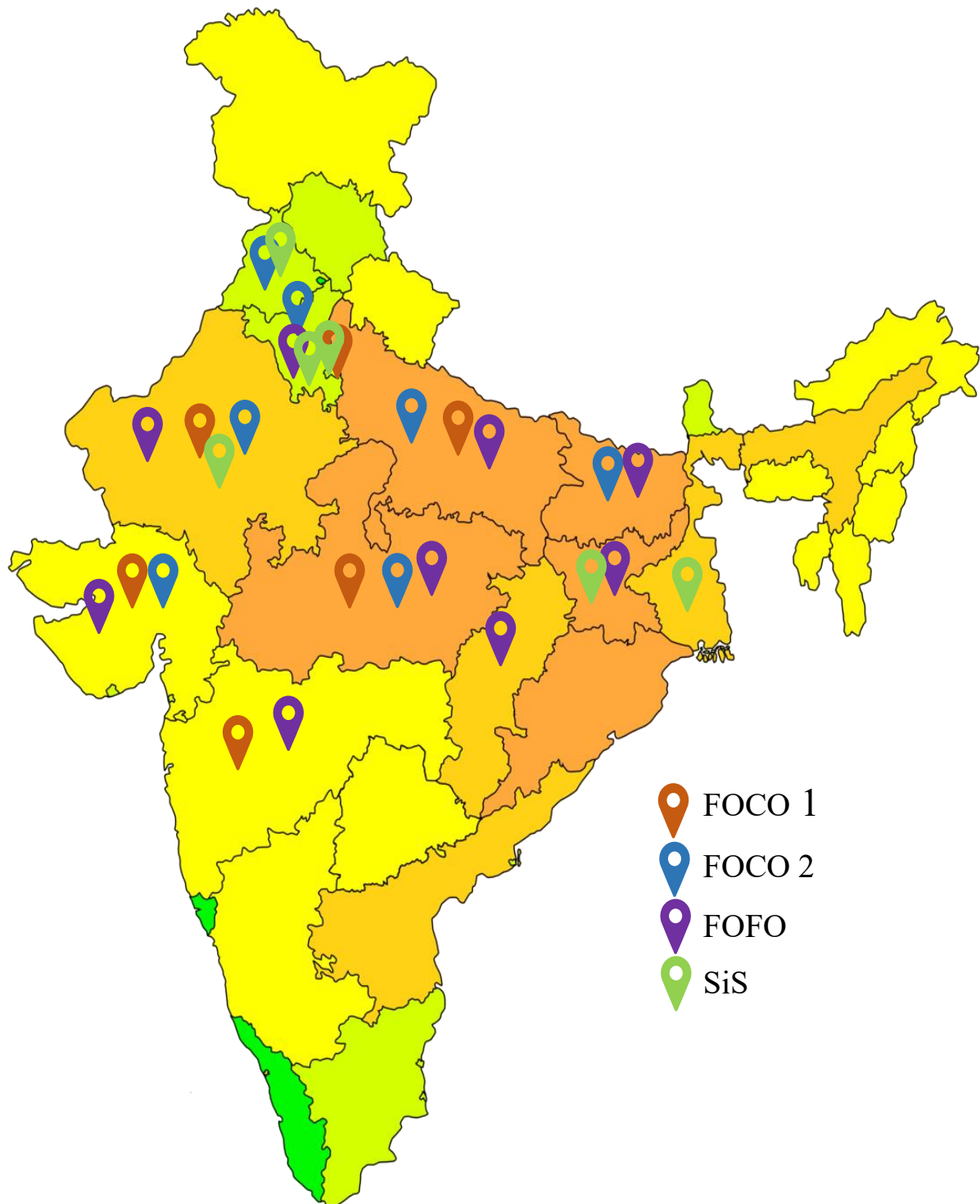
Our company has its presence in various cities through its exclusive brand outlet under the brand name 'BARCELONA' operated in franchise model. The company finalizes a franchise for a particular location, after which a franchise fees and stock deposit is collected from the franchise and stock is dispatched to the store, thereafter sales to customers is done from that store.

Further Our company has planned to create its presence in more than 10,000 Multi brand garment shops for which the company has launched 'Barcelona for business' B2B app, which allows users to place bulk orders on the app and get the stock delivered at their store directly from the company. This business plan of the company will allow company to liquidate stock in a better way as the stock will be held in company warehouse only but digitally available to order Pan India. The company has also introduced various marketing and branding activities for engagement with retailers. The retailers can also manage their inventory and order anytime from our B2B app.

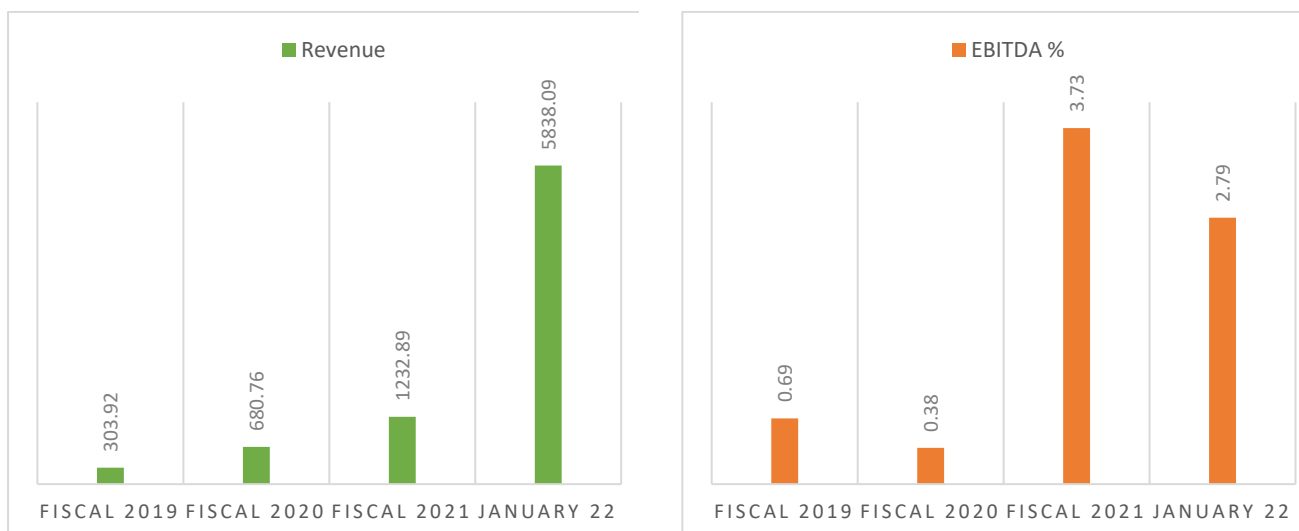
Our products are available through a pan-India multichannel distribution network that we have built over the years comprising of our exclusive brand outlets ("EBOs"), multi-brand outlets ("MBOs") and shop-in-shop stores ("SiS"), as well as online channels comprising of our own websites, B2B application and other online marketplaces.

As of May 31, 2022, we had 85 EBOs located in more than 50 cities, spread across 13 states and union territories in India. Our well-established EBO network is not only well diversified across all regions of India, but also offers a superior shopping experience for customers. Our EBOs are located nationwide across high streets, malls and residential market areas in major metros, large cities, other tier II and tier III cities.

We opened our first store in February, 2019, with the launch of our first exclusive brand outlet in Ahmedabad, Gujarat. Revenue generated from sales of products at EBOs represented 4.58%, 6.24%, and 13.37% of our revenue from operations in Fiscals 2020, 2021 and for the period ended January 31, 2022 respectively.



As per Restated Consolidated Financial Statement, In the ten months period ended January 31, 2022 and Fiscal 2021, 2020 and 2019, our revenue from operations was ₹ 5838.08 lakh, ₹ 1232.89 lakh, ₹ 680.76 lakh and ₹ 303.92 lakh, respectively and our restated total profit after Tax for the period/ year was ₹ 93.98 lakh, ₹ 30.36 lakh, ₹ 0.47 lakh and ₹ 0.46 lakh, respectively. Our EBITDA was ₹ 163.05 lakh, ₹ 46.01 lakh, ₹ 2.58 lakh and ₹ 2.09 lakh for the ten months period ended January 31, 2022 and the Fiscals 2021, 2020 and 2019. Our EBITDA Margin (EBITDA as a percentage of our total income) was 2.79%, 3.73%, 0.38% and 0.69%, respectively.



SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Expansion of our retail network

Our ability to continue our growth and effectively execute our strategies depends upon the strength of our brands, our product offering and store economics and our ability to open new EBOs and expand our online presence successfully. As of January 31, 2022, we operated 66 EBOs across 12 states and more than 50 cities in India. We also sell our products through our own online websites, www.barcelonaclub.in and Barcelona for Business B2B mobile application, as well as through other third-party online marketplaces such as Amazon, Flipkart and Meesho.

Our EBOs generally need to be located in high visibility and high traffic locations. Moreover, it is critical for us to obtain commercial property in such areas that meet our criteria for customer traffic, square footage, lease economics and other factors, including our ability to negotiate terms within our financial budgets. Opening a new EBO requires significant resources in terms of lease costs, fit-outs and refurbishments (to align the EBO with our preferred format), hiring costs and ongoing employee benefit expenses. An inability to appropriately identify suitable locations, or set-up the most appropriate store-format at a particular location, or to negotiate commercially reasonable lease terms, may increase our payback periods, result in store-closures, and adversely affect our results of operations and financial condition. As we have considerable experience in setting up EBOs across the country, we believe we are well positioned to leverage on all opportunities for further expansion of our retail footprint.

Emergence of new business models and online retail channels

The COVID-19 pandemic has led to an increasing shift in consumer spending on online channels. Having made investments in digital marketing initiatives and towards building a strong e-commerce team, we believe that we are well positioned to take advantage of this emerging shift towards online shopping. This year, our company has started sell of our products through online channels and Our Company has derived revenue from online channels, including our own websites and other third-party online marketplaces, with 0.95% of our revenue from operations attributable to sales through online channels for the ten months ended January 31, 2022.

Our ability to keep pace with changes in consumer purchasing patterns and preferences may have an impact on our growth. Additionally, our consumers' increasing focus on sustainability may result in less frequent purchases over time across all segments of the market, including casual wear, office wear and occasion wear. This may particularly impact revenues for our Barcelona-branded value products where we assume higher volume margins. Similarly, demand for sustainable products may require changes in fabrics and materials to more environmentally alternatives, which may be costly to procure.

Cost of procuring raw materials and manufacturing our products

Our company purchases fabrics from Ahmedabad and garments from various manufacturers mainly from Mumbai, New Delhi, Punjab, Gujarat and Ahmedabad. Further after purchasing fabric and garment, it is sent to our job working partners, whereas per specification provided, cutting and production of garments is done. Our company also purchases garments made to manufacture in our brand Barcelona as per our specifications and which is further sold mainly through Exclusive Brand outlets and also through online sales. Our cost of goods sold is impacted by the amount of raw materials procured by us and the price at which such raw materials are procured may fluctuate from time to time due to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policy and regulation. We are dependent on the ability of our contract manufacturers to produce products that consistently meet the requirements of our consumers and are of a high-quality standard, and incur expenses towards contract manufacturing. Changes in the quantity of products manufactured through our contract manufacturers and increasing costs payable to manufacturers can impact our profitability and results of operations. The details of our total purchases including contract manufacturing cost is as hereunder:

Particulars	Ten-months period ended January 31, 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
Purchase of Fabrics	4,091.88	761.42	453.46	211.24
Purchase of Garments	1,432.48	496.94	254.04	62.32
Contract Manufacturing Cost	128.07	3.61	9.43	-
Others (includes hangers, packaging material, paper bags etc.)	24.37	3.56	2.01	20.51
Total	5,676.80	1,265.52	718.94	294.06

Consumer spending, market trends and the Indian economy

The global textile market size is expected to grow from \$530.97 billion in 2021 to \$575.06 billion in 2022 at a compound annual growth rate (CAGR) of 8.3%. The textiles market is expected to grow to \$760.21 billion in 2026 at a CAGR of 7.2% (*source: ITCOT Report*). the global apparel market size is expected to grow from \$551.36 billion in 2021 to \$605.4 billion in 2022 at a compound annual growth rate (CAGR) of 9.8%. The apparel market is expected to grow to \$843.13 billion in 2026 at a CAGR of 8.6% (*source: ITCOT Report*). We intend to capitalize on the growing industry opportunity and leverage our leading position in the men's Indian segment in India, to continue to grow our business. Furthermore, the men's Indian wear market is characterized by changing customer preferences. Our results of operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in line with changes in fashion trends as well as customer demands and preferences.

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. We plan our inventory and commence our design process prior to launch and estimate our sales based on the forecasted demand for the forthcoming period. We have inventory manufactured or procured in advance and stored at our warehouses ahead of each upcoming season. Moreover, our success also depends to a significant extent on consumer confidence and spending, which is influenced by general economic conditions, discretionary income levels and our ability to respond to market trends. A range of factors affect the level of customer spending in the retail sector, including recession, inflation, political uncertainty, availability of consumer credit, taxation and unemployment. Our results of operations could be impacted by any of these factors and may decline during recessionary periods or in other periods where one or more macro-economic factors or potential macro-economic factors negatively affect consumer confidence and spending.

Human capital management and expenses

We are a highly people-centric organisation and our extensive retail network (including EBOs) stores is staffed by our own employees. As a result, the success of our operations is reliant on our ability to recruit, train and maintain a skilled workforce

that reflects the culture and quality of our brands to our customers. Furthermore, we incur employee benefits expenses towards employee remuneration which includes salaries and wages, contributions to the provident fund, gratuity expenses, employee stock option expenses and staff welfare expenses. The growth of our retail network has resulted in an increase our retail and sales staff and led to a corresponding increase in our employee benefits expenses. For financial years 2019, 2020 and 2021 and the ten-months ended January 31, 2022, our employee benefit expenses were ₹ 38.26 lakh, ₹ 37.03 lakh, ₹ 36.80 lakh and ₹ 145.25 lakh, respectively, which constituted 12.59%, 5.44%, 2.98% and 2.49% of our revenue from operations, respectively. As our employee benefit expenses represent a significant proportion of our revenue from operations, our margins are also highly dependent on changes in these expenses that are outside our control. For instance, any changes in the minimum wage threshold in the states in India in which we operate may negatively affect our employee benefit expenses and resulting profitability. We expect our employee benefit expenses to increase in line with the growth of our operations and execution of our corporate strategy. Therefore, effective manpower planning and maintaining optimal employee strength in corporate, logistics and front-end retail is critical towards maximise revenue per employee.

Operational efficiencies and working capital management

Our supply chain network includes our suppliers, contract manufacturers and distributors and given the high volume of raw materials and finished products that flow through our network, is highly sensitive to changes or interruptions in supply, manufacturing and/or distribution processes, which sensitivities remain largely outside of our control. We are heavily dependent on our logistics providers to efficiently deliver inventory to our retail locations and orders made through the online channel. Moreover, our inventory and profitability levels can be impacted by any significant changes to our operational network.

A significant proportion of our operating costs is attributable to our (i) purchases of stock-in-trade, (ii) cost of materials consumed, which include cost of raw materials and accessories and packing materials (iii) job charges, (iv) Barcode and Branding expenses, which represent the bulk of our manufacturing costs. Purchases of stock-in-trade include purchases of finished goods from our vendors, including accessories, and for financial years 2019, 2020 and 2021 and the ten months ended January 31, 2022, amounted to ₹ 229.34 lakh, ₹ 602.21 lakh, ₹ 1098.49 lakh, and ₹ 5002.71 lakh respectively, which represented 75.46%, 88.46%, 89.10% and 85.69%, respectively, of our revenue from operations.

Working capital management remains critical towards our profitability and our ability to successfully manage our working capital depends on our ability to manage payments across our retail channels, monitor inventory and manage our debtor's days and trade payables to net sales days. For financial years 2019, 2020 and 2021 and the ten months ended January 31, 2022, we had trade payables of ₹ 203.10 lakh, ₹ 445.39 lakh, ₹ 846.35 lakh and ₹ 3764.44 lakh, respectively, and trade receivables of ₹ 83.57 lakh, ₹ 153.15 lakh, ₹ 400.50 lakh and ₹ 2691.41 lakh, respectively. Successfully managing our inventory will help us effectively prevent shortfalls and deal with unsold stock, while reducing our debtor days will improve our cash flow cycle and enable us to redeploy working capital in an efficient manner. For financial years 2019, 2020 and 2021 and the ten months ended January 31, 2022, we had trade payables turnover ratio of 1.65%, 2.22%, 1.96% and 2.46% respectively, and trade receivables turnover ratio of 3.12%, 5.75%, 4.45% and 3.78% respectively.

Impact of COVID-19 Operations

Our business and operations could be adversely affected by health epidemics, including the ongoing COVID-19 pandemic, that affect the markets and communities in which we, our franchisees and suppliers operate, and our customers are located. See "Risk Factors – Internal Risks – Risks Related to Our Business – The COVID-19 pandemic or any future pandemic or widespread public health emergency could adversely affect our business, financial condition, cash flows and results of operations" on page 25.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India, where a significant portion of our operations are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown from March 25, 2020. The nationwide lockdown lasted until May 31, 2020, and has since been extended periodically in varying degrees by state governments and local administrations. The lifting of the lockdowns across various regions had been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Recently, from March 2021 to date, 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. This "second wave" and its associated lockdowns have affected

us in terms of reducing our sales, revenue and stores expansion, as well as disrupting our supply chains. As a result of the detection of new 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, which may adversely affect our business operations.

There remains significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government of India, which makes it impossible for us to predict with certainty the impact that the COVID-19 pandemic will have on our business, financial condition, results of operations and cash flows in the future.

The COVID-19 pandemic has affected and may continue to affect our business, financial condition, results of operations and cash flows in a number of ways such as:

- government measures related to the COVID-19 pandemic include restrictions on holding large-scale weddings and celebrations (including festivals), travel and business operations, and advising or requiring individuals to limit their time outside of their homes, thereby affecting customer demand for our products, resulting in a significant decrease in the number of customers that visit our physical stores to purchase our products;
- causing disruptions to our supply chains (such as our ability to procure materials), reducing our ability to fulfil orders in a timely manner, disrupting the efficient operation of our warehouses and jobbers' manufacturing operations, affecting the ability of our delivery partners to make deliveries or of our sellers to initiate the delivery due to various restrictive measures imposed by governmental authorities;
- our stores, our office and our warehouse were not operating during the lockdowns, or were operating under the applicable restrictions, which included modifying our operations and adjusting our services. For example, our fulfilment and delivery operations require social distancing measures and system-wide use of personal protective equipment. Shopping malls, in which certain of the franchisee-owned EBOs, LFSs, MBOs, SiSs that sell our products were operating, were also closed during the lockdowns and operating under restrictions as imposed thereafter; and
- disruptions to our expansion plans, including for opening new stores and closing down of existing stores due to lockdowns and restrictions, as well as the poor economic environment and consumer confidence.

Our management has made an initial assessment, based on the current situation of the likely impact of the COVID-19 pandemic on the overall economic environment and us, in particular, and based on which it does not expect further reduction in demand of our products and any challenge in our ability to continue as a going concern or meeting our financial obligations or in the recoverability and carrying value of our property, plant and equipment, goodwill, other intangible assets, and other financial statement captions. The above evaluations are based on information available till date, which is very dynamic and subject to uncertainties that the COVID-19 pandemic might pose on economic recovery.

The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency, impacts our business, financial condition and results of operations is uncertain. Such effects will depend on numerous evolving factors that we may not be able to accurately predict, including the scope, severity, and duration of the pandemic; actions taken by governments, businesses and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure and product development projects; disruptions or restrictions on our employees', franchisees', jobbers' and suppliers' ability to work, operate and travel as well as their business continuity plans; and any extended period of remote work arrangements. While we do not expect significant further reductions in the demand of our products, we continue to closely monitor developments relating to the COVID-19 pandemic and the effects they have on future economic conditions and on our business and operations closely. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may materially and adversely impact our business, financial condition, results of operations and cash flows. During this pandemic, 1 store during FY 2019-20, 2 stores during FY 2020-21 and 15 stores during April 1, 2021 to January 31, 2022 were closed.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements:

Statement of Compliance:

The Consolidated Financial Information of the Company comprises of the Consolidated Balance Sheet as at 31 January 2022, the related Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the period ended 31 January 2022 and the Summary of Significant Accounting Policies and explanatory notes and notes to consolidated other financial information (together referred to as Consolidated Financial Information).

The Consolidated Financial Information have been prepared on going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated Financial Information

The Consolidated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus (DRHP) prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of its equity shares 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 (the "Guidance Note").

Principles of Consolidation:

The Consolidated Financial Information of the Company comprises of the Consolidated Financial Statements as at 31st January 2022.

When the company's Associate's Share of Losses in an equity accounted investment equals or exceeds its interest in the entity, while preparing consolidated financial statement, losses of the associates are accounted for to the extent investment value.

The Standalone Financial Statements and Consolidated Financial statements of The company for the ten months ended on January 31, 2022, Standalone Financial Statements of The Company for the financial year ended on March 31, 2021, 2020 & 2019 and Standalone Financial Statements of The Associate Company for the financial year ended on March 31, 2021, 2020 are prepared in accordance with Accounting Standards (Indian GAAP) and Consolidated Restated Financial Statements are prepared in accordance with Ind AS.

Current Versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of sale/lease
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of sale/lease

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.”

Use of Estimates:

The preparation of the Consolidated Restated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Restated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Restated financial statements have been disclosed below. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated financial statements.

Significant Accounting Policies:

Revenue Recognition

i. Revenue from contracts with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company identifies the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for products. Revenue from the sale of products is recognised when products are delivered to customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Contracts where the Company’s obligation is to arrange for the provision of goods and services by another party, the Company recognizes revenue in the amount of the commission to which it expects to be entitled in exchange for arranging for the provision of goods and services.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Income from services are recognized as and when contractual obligation with respect to service contract are completed.

ii. Contract balances:

- Contract assets

A contract asset is the right to consideration in exchange for products or services transferred to the customer. If the Company performs by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

- **Trade receivables** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Interest income

Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. Interest income is included under the head "Other income" in the statement of profit and loss.

Property, Plant & Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Advances paid towards the acquisition of Property, Plant & Equipment outstanding at each reporting date is classified as Capital advances under Other Non –Current Assets and assets which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work in Progress."

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period/year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or

the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Depreciation/ Amortization

Depreciation on Property, Plant & Equipment is charged on Straight Line Method. Depreciations are charged over the estimated useful lives of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis from/till the date they are put to commercial use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

Depreciation on additions/deletions to Property plant and equipment during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on Property plant and equipment arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life. Depreciation on refurbished/revamped Property plant and equipment which are capitalized separately is provide for over the reassessed useful life

Impairment Of Assets

Property, Plant & Equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost incurred in bringing each products to its present location and condition are accounted for as follows:-

Finished goods and Work In Progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

Traded Goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realizable values is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Restated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Profit or Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Cash And Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise Cash and Cheques in hand, bank balances, demand deposits with banks (other than deposits pledged with government authorities and margin money deposits) with an original maturity of three months or less.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The

cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Provision

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Earnings Per Share (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

Related Party Transactions

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party of exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided by Chief Financial Officer and Director of the Company jointly and responsible for allocating resources, assess the financial performance of the Company and make strategic decisions.

The Company has identified one reportable segment "trading of textile products" based on information reviewed by them.

Dividend

Dividend declared is provided in books of account when the same is approved by shareholders'.

Employee Benefits

Short term employee benefits

All short term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

Post Employee Obligations

The Company operates the following post-employment schemes:

iii. Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

iv. Defined Benefit Plans

Gratuity obligations

The Company had an obligation towards gratuity – a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of an employment of an amount equivalent to 15 days salary payable for each completed years of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service and is payable thereafter on occurrence of any of above events.

As per information provided by the Company, there are no employees who have served more than 5 years.

Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement.

Foreign Currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period. Exchange differences on reinstatement of all monetary items are recognized in the Statement of Profit and Loss.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Classification

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

Financial assets at amortised cost

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value through other comprehensive income (OCI). Changes in fair values are recognized in OCI and on derecognition, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest income calculated using EIR and impairment loss, if any, are recognized in the Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognized in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing for financial assets.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivable, trade receivable other contractual rights to receive cash or other financial assets. For trade receivable, the Company measures the loss allowance at an amount equal to life time expected credit losses. Further, for the measuring life time expected credit losses allowance for trade receivable the Company has used a practical expedient as permitted under Indian AS 109. This expected credit loss allowance is computed based on provisions, matrix which takes into account historical credit loss experience and adjusted for forward looking information.

If, share of losses of an associate equals or exceeds the carrying amount of the investment, the Company ordinarily discontinues recognising its share of further losses and the investment is reported at nil value. The associate subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognised.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at amortized cost unless at initial recognition, they are classified as fair value through profit or loss. In case of trade payables they are initially recognize at fair value and subsequently, these liabilities are held at amortized cost, using the Effective interest method.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortized cost using the effective interest method. Interest expense is recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on subsequently different terms, or the terms of an existing liability are subsequently modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amount is recognize in the Statement of Profit & Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

Events occurring after Balance sheet Date

The Company had changed its Memorandum and Article of Association wherein Face value of Equity shares Rs. 10 each has been reduced to Rs. 1 each.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee: The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

v. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of non-financial assets.

vi. Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

vii. Short term leases and leases of low value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases where the underlying asset is considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Sub-lease

At the commencement date, the Company recognises assets held under a sub-lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. The Company uses the interest rate implicit in the lease to measure the net investment in the lease. In case if the interest rate implicit in the sublease cannot be readily determined, the Company being an intermediate lessor uses the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- fixed payments less any lease incentives payable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties, if any, for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on net investment in the lease.

Net investment in the lease are subject to the derecognition and impairment requirements in Ind AS 109. The Company regularly reviews estimated unguaranteed residual values, if any, used in computing the gross investment in the lease and adjusts the income allocation accordingly.

Segment reporting policies

The Company drives synergy across fulfilment models, sales channels and product categories and accordingly the management reviews and allocates resources based on Omni business and Omni channel strategy, which in the terms of Ind AS 108 on 'Operating Segments' constitutes a single reporting segment

Share capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

Provision for expected credit losses of trade receivables and contract assets

The Company uses a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

Utilisation of Borrowed Fund or Equity Capital and purpose:

Borrowed Fund: The Company has not taken any Loan from Bank or Financial Institution during the period under review.

Equity Capital: The Company has raised Rs.5,58,73,950 as Equity share capital for working capital requirements.

Compliance with number of layers of companies: . The Company does not have any Subsidiary Company.

Registration of charges or satisfaction with Registrar of Companies – There is no charge created by the Company.

Relationship with Struck off Companies: Not Applicable

Wilful Defaulter : The Company has not been declared as Wilful Defaulter by any Bank or Financial Institutions or Government or any Government Authority.

Details of Benami Property held : No proceedings have been initiated during the year or are pending against the Company as at January 31, 2022 for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

Capital WIP : Not Applicable

Intangible assets under development : Not Applicable

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Set forth below are the principal components of income and expenditure from our continuing operations:

Total Income

Our total income comprises (i) revenue from operations; and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) sale of products less branch transfer

Other Income

Other income includes (i) interest income; (ii) scheme/discount received; (iii) excess provision written off; (iv) cancellation charges and (v) round off

Expenses

Our expenses comprise (i) purchases of traded goods; (ii) Changes in inventories of finished goods, work in progress & Stock in Trade; (iii) Employee benefits expenses; (iv) Finance costs; (v) Depreciation and amortization expenses; and (vi) other expenses

Purchases of traded goods

Purchases of traded goods comprises fabrics, finished products and accessories

Changes in inventories of finished goods, work in progress & Stock in Trade

Cost of materials consumed comprise opening stock of raw materials, purchases and an adjustment for closing stock of raw materials. Cost of materials consumed is primarily towards fabric and accessories.

Employee Benefit Expense

Employee benefit expense comprises (i) salaries and wages; (ii) director's remuneration; (iii) employees welfare and other amenities.

Finance Costs

Finance costs include (i) interest expenses; and (ii) bank charges

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses comprise (i) depreciation of plant and equipment (plant and machinery, electric installation & air conditioner, furniture and fixtures, mobiles, office equipment and computers & software);

Other Expenses

Other expenses comprise (i) Advertisement Expenses; (ii) Barcode Expense; (iii) Branding Expense; (iv) Business Promotion Expenses; (v) Commission Expenses; (vi) Conveyance & Travelling Expenses; (vii) Donation; (viii) Power & Fuel Expenses; (ix) Fixed Franchisee Expenses; (x) Insurance Premium Expenses; (xi) Internet, Communication & Software Expenses; (xii) Job work charges; (xiii) Legal Expenses; (xiv) Miscellaneous Expenses; (xv) Office Expenses; (xvi) Packing Material Expenses; (xvii) Payment to Auditors; (xviii) Professional & Technical Fee; (xix) Rent, Rates & Taxes Expenses; (xx) Repairs & Maintenance; (xxi) Showroom, Store & Godown Expenses; (xxii) Stationery, Printing & Courier Expenses; (xxiii) Sundry Balance written off; (xxiv) Tea & Refreshment Expenses and (xxv) Transportation Expenses

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Consolidated Financial Statements for the ten months period ended January 31, 2022 and for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019.

Particulars	31.01.2022	% of Total Income	2020-21	% of Total Income	2019-20	% of Total Income	2018-19	% of Total Income
INCOME								
Revenue from Operations	5,838.08	99.80	1,232.89	97.09	680.76	99.94	303.92	99.99
Other Income	11.56	0.20	36.92	2.91	0.40	0.06	0.04	0.01
Total Income (I) + (II)	5,849.64	100.00	1,269.81	100.00	681.16	100.00	303.96	100.00
EXPENSES								
Purchase of traded goods	5,676.80	97.05	1,265.52	99.66	718.94	105.55	294.06	96.74
Changes in inventories of finished goods, work in progress & Stock in Trade	(701.50)	-11.99	(168.88)	-13.30	(118.91)	-17.46	(67.78)	(22.30)
Employee benefits expenses	145.25	2.48	36.80	2.90	37.03	5.44	38.26	12.59
Finance Costs	33.20	0.57	3.26	0.26	1.37	0.20	0.61	0.20
Depreciation and amortization expenses	3.05	0.05	1.50	0.12	1.81	0.27	1.14	0.38
Other expenses	565.87	9.67	89.86	7.08	40.19	5.90	37.00	12.17
Total Expenses (IV)	5,722.67	97.83	1,228.07	96.71	680.44	99.89	303.30	99.78
Profit before Exceptional Items and Share of Net Profit and Taxes	126.97	2.17	41.74	3.29	0.72	0.11	0.67	0.22
Share of Net Profit/(Loss) of associates	0.15	0.00	(0.50)	-0.04	-	-		0.00
Profit before Exceptional Items and Taxes	127.12	2.17	41.24	3.25	0.72	0.11	0.67	0.22
Exceptional Items - (Net)	-	-	-	-	-	-	-	-
Profit before tax	127.12	2.17	41.24	3.25	0.72	0.11	0.67	0.22
Tax Expenses :								
(1) Current tax	31.74	0.54	10.89	0.86	0.36	0.05	0.25	0.08
(2) Deferred tax	1.40	0.02	(0.04)	-0.00	(0.11)	-0.02	-0.05	(0.02)
(3) Previous year Tax	-	-	0.03	0.00	-	-	-	-
	33.14	0.57	10.88	0.86	0.25	0.04	0.20	0.07
Profit for the Period (VII)-(VIII)	93.98	1.61	30.36	2.39	0.47	0.07	0.46	0.15

Financial Performance Highlights for the period ended January 31, 2022

Total Revenue Income: Our Company's total revenue during the period (Apr 01, 2021 to January 31, 2022) was ₹ 5849.64 Lakhs. The revenue from operation was ₹ 5838.08 Lakhs which is almost 99.90% of total revenue which consist of sales of Fabrics (Wholesale), Sales of Readymade Garments (Wholesale/Retails) and Sale of Readymade Garments through EBOs, SiS and online marketplace.

Total Expenses: Our Company's total expenses excluding depreciation, Interest and tax amount during the said period (April 01, 2021 to January 31, 2022) was ₹ 5686.59 Lakhs. The total expenditure is almost 97.21% of total revenue. The main constituent of total expenditure is Purchase of Traded Goods which was ₹ 5676.80 Lakhs, almost 97.05% of total revenue.

Profit Before Interest, Depreciation and Tax: The restated net profit before interest, depreciation and tax as per restated financials for the said period (April 01, 2021 to January 31, 2022) was ₹ 163.05 Lakhs which is 2.79% of total revenue.

Depreciation Expenses: The depreciation expenses as per restated financials for the said period (April 01, 2021 to January 31, 2022) was ₹ 3.05 Lakhs which is 0.05% of total revenue.

Interest Expenses: The interest expenses as per restated financials for the said period (April 01, 2021 to January 31, 2022) was ₹ 32.88 Lakhs which is 0.56% of total revenue.

Profit after Tax: The restated net profit after provision for tax as per restated financials for the said period (April 01, 2021 to January 31, 2022) was ₹ 93.98 Lakhs which is 1.61% of total revenue.

Comparison of the Financial Performance of Fiscal 2021 with Fiscal 2020

Total Revenue Income: During the FY 2020-21 the revenue from operation and other income of the Company increased to ₹ 1269.81 Lacs as against ₹ 681.16 Lacs in the FY 2019-20 representing an increase of 86.42% from last year.

Total Expenses: The total expenditure excluding depreciation, Interest and tax amount, for the FY 2020-21 has increased to ₹1223.80 Lacs as against ₹678.58 Lacs in the FY 2019-20 representing an increase of 80.35% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Changes in inventories of finished goods, work in progress & Stock in Trade: Changes in inventories of finished goods, work in progress & Stock in Trade for the FY 2020-2021 has increased to ₹168.88 Lacs as against ₹118.91 Lacs in the FY 2019-20 representing an increase of 42.03% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Employee Benefits Expenses: The Employee Benefits Expense for the FY 2020-2021 has been decreased to ₹36.80 Lacs as against ₹37.03 Lacs in the FY 2019-20 representing a decrease of 0.63% from last year.

Other Expenses: The other Expense for the FY 2020-2021 has increased to ₹89.86 Lacs as against ₹40.19 Lacs in the FY 2019-20 representing an increase of 123.57% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations and covid-19 pandemic impact.

Finance Expenses: The finance cost of the company for the FY 2020-21 has increased to ₹3.26 Lacs as against ₹1.37 Lacs in the FY 2019-20 representing an increase of 138.62% from last year.

Depreciation and Amortization Expense: The Depreciation and Amortization Expense for FY 2020-21 has decreased to ₹1.50 Lacs as against ₹1.81 Lacs in the FY 2019-20.

Profit/ (Loss) Before Tax: We have incurred profit of ₹41.24 Lacs in FY 2020-21 as against profit of ₹0.72 Lacs in the FY 2019-20.

Profit/ (Loss) After Tax: We have incurred profit of ₹ 30.36 Lacs in FY 2020-21 as against profit of ₹ 0.47 Lacs in the FY 2019-20.

Comparison of the Financial Performance of Fiscal 2020 with Fiscal 2019

Total Revenue Income: During the FY 2019-20 the revenue from operation and other income of the Company increased to ₹ 681.16 Lacs as against ₹ 303.96 Lacs in the FY 2018-19 representing an increase of 124.09% from last year.

Total Expenses: The total expenditure excluding depreciation, Interest and tax amount, for the FY 2019-20 has been increased to ₹678.58 Lacs as against ₹301.87 Lacs representing an increase of 124.79% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Changes in inventories of finished goods, work in progress & Stock in Trade: Changes in inventories of finished goods, work in progress & Stock in Trade for the FY 2019-20 has increased to ₹118.91 Lacs as against ₹67.78 Lacs in the FY 2018-19 representing an increase of 75.43% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Employee Benefits Expense: The Employee Benefits Expense for the FY 2019-2020 has been decreased to ₹ 37.03 Lacs against ₹38.26 Lacs representing a decrease of 3.21% from last year.

Finance Expenses: The finance cost of the company for the FY 2019-20 has been increased to ₹ 1.37 Lacs against ₹ 0.61 lacs representing an increase of 124.62% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Other Expense: The other Expense for the FY 2019-2020 has been increased to ₹40.19 Lacs against ₹ 37.00 Lacs representing an increase of 8.62% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

Profit/ (Loss) Before Tax: We have incurred profit of ₹0.72 Lacs in FY 2019-20 as against profit of ₹0.67 Lacs in the FY 2018-19.

Profit/ (Loss) After Tax: We have incurred profit of ₹0.47 Lacs in FY 2019-20 as against profit of ₹0.46 Lacs in the FY 2018-19.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through capital infusion by internal accruals. From time to time, we may obtain loan facilities to finance our short-term working capital requirements.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Ten months ended January 31, 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
Net Cash from/(used in) Operating activities	(265.64)	13.92	124.81	80.26
Net Cash from/(used in) Investing Activities	(149.30)	(742.32)	(100.16)	(39.72)
Net cash from/(used in) Financing Activities	1,094.33	744.48	(1.37)	(57.70)
Net Increase/(Decrease) in cash & cash equivalents	679.39	16.08	23.29	(17.16)
Cash & cash equivalents at the beginning of the period/year	57.91	41.83	18.54	35.70
Cash & cash equivalents at the end of the period/year	737.31	57.91	41.83	18.54

Operating Activities

Ten months ended January 31, 2022

In the ten months ended January 31, 2022, net cash used in operating activities was ₹ 265.64 lakh. Profit before tax (after exceptional items) was ₹ 127.12 lakh and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of finance cost of ₹ 33.20 lakh and depreciation and amortisation of ₹ 3.05 lakh. This was partially offset by interest income of ₹ 6.07 lakh. The main working capital adjustments in ten months ended January 31, 2022 included increase in trade receivables of ₹ 2290.92 lakh, increase in inventories of ₹ 701.49 lakh, increase in trade payable of ₹ 2918.10 lakh, decrease in other current assets of ₹ 187.86 lakh, decrease in other current liabilities of ₹ 179.18 lakh and increase in provisions of ₹ 50.16 lakh. This was offset by income tax paid (net) aggregating to ₹ 31.74 lakh.

Fiscal 2021

In Fiscal 2021, net cash from operating activities was ₹ 13.92 lakh. Profit before tax (after exceptional items) was ₹ 41.24 lakh and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of finance cost of ₹ 3.26 lakh, depreciation and amortisation of ₹ 1.50 lakh and loss from associate company of ₹ 0.50 lakh. This was partially offset by interest income of ₹ 13.64 lakh. The main working capital adjustments in Fiscal 2021 included increase in trade receivables of ₹ 247.36 lakh, increase in inventories of ₹ 168.88 lakh, increase in trade payable of ₹ 400.96 lakh, decrease in other current assets of ₹ 241.52 lakh, increase in other current liabilities of ₹ 241.51 lakh and increase in provisions of ₹ 7.26 lakh. This was offset by income tax paid (net) aggregating to ₹ 10.92 lakh.

Fiscal 2020

In Fiscal 2020, net cash from operating activities was ₹ 124.81 lakh. Profit before tax (after exceptional items) was ₹ 0.72 lakh and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of finance cost of ₹ 1.37 lakh, depreciation and amortisation of ₹ 1.81 lakh and adjustment of other equity of ₹ 0.06 lakh. The main working capital adjustments in Fiscal 2020 included increase in trade receivables of ₹ 69.58 lakh, increase in inventories of ₹ 118.91 lakh, increase in trade payable of ₹ 229.08 lakh, increase in other current liabilities of ₹ 80.69 lakh and decrease in provisions of ₹ 0.07 lakh. This was offset by income tax paid (net) aggregating to ₹ 0.36 lakh.

Fiscal 2019

In Fiscal 2019, net cash from operating activities was ₹ 80.26 lakh. Profit before tax (after exceptional items) was ₹ 0.67 lakh and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of finance cost of ₹ 0.61 lakh and depreciation and amortisation of ₹ 1.14 lakh. The main working capital adjustments in Fiscal 2019 included decrease in trade receivables of ₹ 27.47 lakh, increase in inventories of ₹ 67.78 lakh, increase in trade payable of ₹ 62.62 lakh, increase in other current liabilities of ₹ 54.09 lakh and increase in provisions of ₹ 1.70 lakh. This was offset by income tax paid (net) aggregating to ₹ 0.25 lakh.

Investing Activities

Ten months ended January 31, 2022

Net cash used in investing activities was ₹ 149.30 lakh in the ten months ended January 31, 2022, primarily on account of purchase of property, plant and equipment (including intangible assets and capital advances) aggregating to ₹ 85.60 lakh and increase in loans of ₹ 69.77 lakh, offset by proceeds from interest received aggregating to ₹ 6.07 lakh.

Fiscal 2021

Net cash used in investing activities was ₹ 742.32 lakh in Fiscal 2021, primarily on account of purchase of property, plant and equipment (including intangible assets and capital advances) aggregating to ₹ 5.00 lakh and increase in loans of ₹ 750.96 lakh, offset by proceeds from interest received aggregating to ₹ 13.64 lakh.

Fiscal 2020

Net cash used in investing activities was ₹ 100.16 lakh in Fiscal 2020, primarily on account of purchase of property, plant and equipment (including intangible assets and capital advances) aggregating to ₹ 0.84 lakh, increase in investment of ₹ 0.50 lakh and increase in loans of ₹ 98.82 lakh.

Fiscal 2019

Net cash used in investing activities was ₹ 39.72 lakh in Fiscal 2019, primarily on account of purchase of property, plant and equipment (including intangible assets and capital advances) aggregating to ₹ 3.40 lakh and increase in loans of ₹ 36.32 lakh.

Financing Activities

Ten Months ended January 31, 2022

Net cash from financing activities was ₹ 1094.33 lakh in the ten months ended January 31, 2022, on account of borrowings (net) of ₹ 109.69 lakh, issue of shares of ₹ 34.52 lakh, increase in share premium of ₹ 445.36 lakh, other long-term liabilities of ₹ 537.96 lakh. This was partially offset by finance cost of ₹ 33.20 lakh.

Fiscal 2021

Net cash from financing activities was ₹ 744.48 lakh in Fiscal 2021, on account of borrowings (net) of ₹ 263.29 lakh, issue of shares of ₹ 45.12 lakh, increase in share premium of ₹ 135.37 lakh, other long-term liabilities of ₹ 303.95 lakh. This was partially offset by finance cost of ₹ 3.26 lakh.

Fiscal 2020

Net cash used in financing activities was ₹ 1.37 lakh in Fiscal 2020, on account of finance cost of ₹ 1.37 lakh.

Fiscal 2019

Net cash used in financing activities was ₹ 57.70 lakh in Fiscal 2019, on account of borrowings (net) of ₹ 57.09 lakh and finance cost of ₹ 0.61 lakh.

INDEBTEDNESS

As of January 31, 2022, we had total borrowings amounting to ₹ 377.19 lakh. For further information on our indebtedness, see “Financial Indebtedness” on page 228.

The following table sets forth certain information relating to our financial liabilities as of January 31, 2022:

₹ in lakh

Nature of Borrowing	Outstanding Amount as on January 31, 2022	Outstanding Amount as on March 31, 2021
Bank Overdraft	-	6.21
Unsecured Loan	377.19	261.28

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration to executive Directors and Key Managerial Personnel, Purchase of Goods, Sale of Goods, Purchase of Fixed Assets, Advances given, Advances received, Outstanding Trade Receivable, Outstanding Trade Payable, Outstanding Loans (Advances) and Outstanding Loans (Liability). The details of Related Party Transactions are hereunder:

Particulars	January 31, 2022		March 31, 2021		March 31, 2020		March 31, 2019	
	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue	Transaction Amount	% of Total Revenue
Remuneration	7.70	0.13	6.00	0.49	-	-	2.93	0.96
Purchase of Goods	392.04	6.72	601.45	48.78	620.19	91.10	6.22	2.05
Sale of Goods	4,114.37	70.47	677.88	54.98	576.41	84.67	78.55	25.85
Purchase of Fixed Assets	66.04	1.13	-	-	-	-	-	-
Advances Given	317.13	5.43	581.99	47.21	443.04	65.08	223.21	73.44
Advances Received	217.24	3.72	263.47	21.37	528.66	77.66	242.51	79.80
Outstanding Trade Receivables	2,080.64	35.64	233.70	18.96	32.98	4.84	-	-
Outstanding Loans/Advances	-	-	8.30	0.67	-	-	6.76	2.22
Outstanding Loan (Liability)	-	-	1.50	0.12	76.17	11.19	13.21	4.35
Outstanding Trade Payable	847.99	14.53	12.10	0.98	12.99	1.91	-	-

For further information relating to our related party transactions, see “*Financial Information - Related party disclosures*” on page 194.

AUDITOR’S OBSERVATIONS

There have been no reservations/ qualifications or adverse remarks/ emphasis of matter highlighted by our statutory auditors in their auditor’s reports on the audited financial statements as of and for the years ended March 31, 2019, 2020 and 2021.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. *Unusual or infrequent events or transactions*

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. *Significant economic changes that materially affected or are likely to affect income from continuing operations.*

There are no significant economic changes that may materially affect or likely to affect income from continuing operations except the Covid-19 pandemic which is still to be controlled. However, Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact 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 25 in the 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. *Expected Future changes in relationship between costs and revenues*

Our Company’s future costs and revenues will be determined by demand/supply situation, Government Policies and Taxation and Currency fluctuations.

5. *Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices*

Changes in revenue in the last financial years are as explained in the part “Comparison of the financial performance of above.

6. *Total turnover of each major industry segment in which our Company operates*

The Company is mainly engaged in Wholesale Trading of Fabrics and Readymade Garments, Retail Trading of Readymade Garments through EBO, MBO, Sis, online marketplace and all the activities of the business revolve around this main business. Therefore, there are no separate reportable segments.

7. *Status of any publicly announced New Products or Business Segment*

Our Company has not announced any new product other than disclosed in this prospectus.

8. *Seasonality of business*

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a financial year. Typically, we see an increase in our business during the festive periods in India, i.e., prior to Dussehra and Diwali, and end of season sales. Therefore, our results of operations and cash flows across quarters in a financial year may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

9. *Competitive conditions*

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on page 86 and 132 respectively of the prospectus.

10. *Details of material developments after the date of last balance sheet i.e., January 31, 2022.*

Except as set out in this Draft Red Herring Prospectus and herein below, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Our Company was converted from a private limited company to a public limited company, vide a fresh certificate of incorporation issued by ROC-Ahmedabad, consequent upon conversion from Private Limited to Public Company dated February 11, 2022 in the name of “*Stitched Textiles Limited*” vide Corporate Identification Number U17120GJ2015PLC084962.

The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on April 23, 2022 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on May 12, 2022 pursuant to Section 23 of the Companies Act.

Except as disclosed in the Draft Red Herring Prospectus including under our “*Risk Factors*”, “*Capital Structure*” and “*Our Business*”, to the best of our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenues or income of our Company from continuing operations.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this Section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; (d) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action; or (e) Material Litigation (as defined below); involving our Company, its Subsidiaries, its Directors and Promoters (**'Relevant Parties'**).

Our Board, in its meeting held on April 23, 2022, determined that outstanding legal proceedings involving the Relevant Parties will be considered as material litigation (**'Material Litigation'**) (i) if the aggregate amount involved which exceeds 1% of the revenue from operations of our Company as per the Restated Financial Statements; or (ii) are outstanding litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company.

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum.

Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated April 23, 2022. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding 1% of the revenue of the Company as per the Restated Financial Statements of our Company as at 1% disclosed in this Draft Red Herring Prospectus, would be considered as material creditors.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. CONTINGENT LIABILITIES OF OUR COMPANY:

a) Classification of Contingent liabilities:

- Claims against the company not acknowledged as debts	Nil
- Guarantees given in favor of company	Nil
- Other money for which the company is contingently liable.	Nil

b) Classification of Commitments into:

- Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil
- Uncalled liability on shares and other investments partly paid	Nil
- Other commitments (specifying nature)	NA

II. LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. **Litigation Involving Criminal matters: NIL**

2. **Litigation Involving Civil matters: NIL**

3. **Litigation involving Tax Liabilities**

(i) **Direct Tax Liabilities: NIL**

(ii) **Indirect Taxes Liabilities:** A Show Cause Notice dated 31.03.2021 under Section 73 of CGST Act, 2017 for non/short payment of GST has been received by the Company from Office of Assistant Commissioner, Uttar Pradesh. The Company has reverted to said notice on 14.04.2022. No further communication is received from the Department as on the date of the date of this Red Hearing Prospectus.

4. **Other Pending Litigations/Actions initiated:**

The company and its directors have received a legal notice no. LEGAL/NOTICE/7/2022 dated-06/06/2022 from the advocate of M/s. Shree Rang Logistic Private Limited. In the said notice it was alleged that the company has signed a contract on 26/12/2021 for availing logistic services from M/s. Shree Rang Logistic Private Limited. During the tenure of the alleged services a total amount due on the company was aggregating to Rs.17.92 lakhs. It was also alleged that, inspite of repeated reminders the company has failed to make the said payments, hence this legal notice with a demand of total outstanding dues pending along with interest @24% per annum and other compensation and charges aggregating to Rs.60,000/-. The Company is in the process of filing a reply to the said notice.

B. CASES FILED BY OUR COMPANY

1. **Litigation Involving Criminal matters: NIL**

2. **Litigation Involving Civil matters: NIL**

3. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

4. **Other Pending Litigations: NIL**

III. LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. **Litigation Involving Criminal and Civil matters: NIL**

2. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

3. **Litigation involving Tax Liabilities**

(i) **Direct Tax Liabilities: NIL**

(ii) **Indirect Taxes Liabilities: NIL**

4. **Other Pending Litigations: NIL**

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal matters:

Jaimin Gupta & Others

V/s

The State of Gujarat

Sl No.	Case No.	Court	Brief Facts	Status
1.	SCA No. 6290/2020	High Court of Gujarat, Ahmedabad	The present petition has been preferred challenging the order dated 15.10.2020 passed by the learned Eighth Additional Civil Judge and Judicial Magistrate, First Class, Ahmedabad, Rural, dated 15.10.2020, whereby learned Magistrate has partially allowed the application submitted by the Investigating Officer and ordered to give police custody of the petitioners from the date of the order till 12.00 noon of October 17, 2020. The Petitioners has alleged that the said order is ex facie illegal, unsustainable, in view of the fact that learned Judge has granted the custodial interrogation of the petitioners by directing the police custody of the petitioners for collection of evidences, permissible and violative of Articles 14, 19 and 21 of the Constitution of India. The matter is pending. Further a Quashing Petition being SCR.A. No.12648 of 2020 for Quashing of FIR No. 11191065200707 of 2020 registered with Narol Police Station Dist.: Ahmedabad has been preferred in High Court of Gujarat, Ahmedabad. In terms of the settlement between the parties the said FIR has been quashed by the High Court vide its order dated 18.10.2021.	The Matter is Pending

2. Litigation Involving Civil matters: NIL

3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

4. Other Pending Litigations: NIL

IV. LITIGATION INVOLVING OUR PROMOTERS

A. LITIGATION AGAINST OUR PROMOTERS

1. Litigation Involving Criminal matters: NIL

2. Litigation Involving Civil matters: NIL

3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

4. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities: NIL

(ii) Indirect Taxes Liabilities: NIL

5. Other Pending Litigations: NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal matters:

Jaimin Gupta & Others
V/s
The State of Gujarat

Sl No.	Case No.	Court	Brief Facts	Status
1.	6290/2020	High Court of Gujarat, Ahmedabad	The present petition has been preferred challenging the order dated 15.10.2020 passed by the learned Eighth Additional Civil Judge and Judicial Magistrate, First Class, Ahmedabad, Rural, dated 15.10.2020, whereby learned Magistrate has partially allowed the application submitted by the Investigating Officer and ordered to give police custody of the petitioners from the date of the order till 12.00 noon of October 17, 2020. The Petitioners have alleged that the said order is ex facie illegal, unsustainable, in view of the fact that learned Judge has granted the custodial interrogation of the petitioners by directing the police custody of the petitioners for collection of evidences, permissible and violative of Articles 14, 19 and 21 of the Constitution of India. The matter is pending. Further a Quashing Petition being SCR.A. No.12648 of 2020 for Quashing of FIR No. 11191065200707 of 2020 registered with Narol Police Station Dist.: Ahmedabad has been preferred in High Court of Gujarat, Ahmedabad. In terms of the settlement between the parties the said FIR has been quashed by the High Court vide its order dated 18.10.2021.	The Matter is Pending

2. Litigation Involving Civil matters: NIL

3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

4. Other Pending Litigations: NIL

V. LITIGATION INVOLVING OUR PROMOTER GROUP

A. LITIGATION AGAINST OUR PROMOTER GROUP

Mr. Kailash Gupta:

The below mentioned litigations pertain to Mr. Kailash Gupta (Father of our Promoter Mr. Jaimin Gupta) who by virtue of his relation with our Promoter comes under the purview of the definition of Promoter Group as per Regulation 2(1)PP(ii) of SEBI (ICDR) Regulations. However, he is not a Promoter, Director or KMP of the Company and is not involved in any of the day to day activities of our Company.

He was appointed as a director in a Company named Liverpool Retail India Limited. He has resigned from the Company on 20/11/2013. Also, He is a director of a Company named Vax Housing Finance Corporation Limited. There are various litigations pending in different courts in India against Liverpool Retail India Limited, Vax

Housing Finance Corporation Limited and Mr. Kailash Gupta. However, the Company has no documents/information related to such cases except the information as mentioned below:

1. **Litigation Involving Criminal matters: NIL**
2. **Litigation Involving Civil matters: NIL**
3. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
4. **Litigation involving Tax Liabilities**

(iii) Direct Tax Liabilities:

A. Y.	Section Code	Date of Demand	Amount	Particulars and status
2010-11	143(1)(a)	-	4,97,705	No appeal has been preferred
2011-12	147 r.w.s 144	20/11/2018	2,29,97,901	The Appellant has filed the return for A.Y. 2011-12 declaring the Total Income of Rs.9,53,200/-. The case was re-opened u/s. 147 of this act and notice u/s 148 was served to assessee on 29/03/2018. The Appellant filed the U/s 148 on 10/10/2018 declaring the Total Income of Rs.9,64,510/-. The Learned ITO has passed an order U/S 144 r.w.s. 147 of the IT Act 1961 by making an addition of Rs.3,42,26,628/-. The addition was U/s 68 made on account of sale of shares of Rs.1,56,33,446/-, unexplained credit u/s 68 of Rs.7,50,000/-, disallowance of expenses of Rs.6,50,000/-, exempt income of Rs.1,69,62,000/- and disallowance of credit card expense u/s 69C of Rs.1,16,182/- disallowance of deduction claimed under Chapter VI A of Rs.1,15,000/-. Aggrieved by such order the Assessee has filed an appeal with the CIT (Appeals). The Matter is pending.
2011-12	271(1) (b)	31/05/2019	10,000	No appeal has been preferred
2012-13	144	31/12/2019	5,11,867	The Learned AO has passed order us. 144 r.w.s. 147 of the I.T. Act, 1961 on 10.12.2019 assessing total income at Rs.1415616 thereby making addition to the tune of Rs.1024526 being the amount of sale receipt of shares of Vax Housing Finance Corporation Ltd as unexplained cash credit us. 68 of the I.T. Act. Aggrieved by such order the Assessee has filed an appeal with the CIT (Appeals). The Matter is pending.
2012-13	271(1) (b)	17/02/2022	10,000	No appeal has been preferred
2013-14	143(1)(a)	-	37,748	No appeal has been preferred
2014-15	143(1)(a)	-	3,95,680	No appeal has been preferred
2017-18	143(3)	31/12/2019	23,39,401	The learned AO has passed order u/s. 143(3) of the I.T. Act, 1961 on 10/12/2019 assessing total income at Rs.23,75,250 thereby making addition to the tune of Rs.21,59,500 being the amount of total cash deposited in the bank account during the year as unexplained money u/s. 69A of the I.T. Act. Aggrieved by such order the Assessee has filed an appeal with the CIT (Appeals). The Matter is pending.
2017-18	154	28/02/2022	23,01,830	No appeal has been preferred
2017-18	272A(1) (d)	09/02/2022	10,000	No appeal has been preferred
		Total	2,91,12,132	

(iv) Indirect Taxes Liabilities: NIL

5. Other Pending Litigations:

Involving Mr. Kailash Gupta:

Sl. No.	Case No.	Location	Name of The Court
1.	425/2009	Ahmedabad	Metropolitan Court
2.	426/2009	Ahmedabad	Addt. Chief Metropolitan Court
3.	015/2012	Ahmedabad	Metropolitan Court
4.	016/2012	Ahmedabad	Metropolitan Court
5.	017/2012	Ahmedabad	Addt. Chief Metropolitan Court
6.	2538/ss/2010	Mumbai	Court No 23rd Killa Court Azad Maidan
7.	114	Ahmedabad	High Court of Gujarat
8.	CC-13497/2018	Ahmedabad	Labour Court
9.	CC-13496/2018	Ahmedabad	Labour Court
10.	CC-1579/2016	Deesa	Taluka Court

B. LITIGATION FILED BY OUR PROMOTER GROUP

1. Litigation Involving Criminal matters: NIL

2. Litigation Involving Civil matters:

Involving Mr. Kailash Gupta:

M/s. R.N. Marketing (Borrower)

Mr. Kailash Gupta (Guarantor) & Others. ...Petitioners

V/s

The Assistant General Manager

Bank of Baroda and Others. ...Respondents

Case No.	Court	Brief Facts	Status
SCA No.29119/2021	High Court of Gujarat, Ahmedabad	The petitioners, by way of the present Writ petition, has challenged the action of the Bank of Baroda (respondents) of issuing an order dated April 20, 2021, whereby the petitioners have been declared as willful defaulters. The Petitioners has alleged that, the said action of the respondents is ex-facie illegal, arbitrary, ultra vires and contrary to the guidelines issued by the Reserve Bank of India and ignoring the factual matrix brought to the notice of the respondents and recorded which is violative of Articles 14, 19 and 21 of the Constitution of India. The amount involved is ₹ 1,26,98,650/- which is subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. The said writ of mandamus has been filed to quash and set aside the impugned order.	The Matter is Pending

Involving Mrs. Bhartiben K. Gupta:

The below mentioned litigations pertain to Mrs. Bhartiben K. Gupta (Mother of our Promoter Mr. Jaimin Gupta) who by virtue of her relation with our Promoter comes under the purview of the definition of Promoter Group as per Regulation 2(1)PP(ii) of SEBI (ICDR) Regulations. However, she is not a Promoter, Director or KMP of the Company and is not involved in any of the day to day activities of our Company.

Bhartiben K. Gupta
V/s
State of Gujarat

Sl. No.	Case No.	Location	Name of The Court
1.	SCA/18324/2019	Ahmedabad	High Court of Gujarat

3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

4. Other Pending Litigations: NIL

VI. LITIGATION INVOLVING OUR GROUP ENTITIES

1. Litigation Involving Criminal matters: NIL

2. Litigation Involving Civil matters:

Vaxtex Cotfab Pvt. Ltd.
V/s
The State of Gujarat & Ors.

Sl No.	Case No.	Court	Brief Facts	Status
1.	SCA/205 34/2020	High Court of Gujarat	The petitioner by way of the present petition has challenged the legality, validity and propriety of the action of the respondent no.4 of disconnecting the sewerage connection (effluent discharge). The Petitioner has alleged that such supply is an essential service to the petitioner as a tenant de hors the provisions of section 24 of the Bombay Rents, Hotel and Lodging House Rate Control Act, 1947 (Act No. LVII of 1947), and is contrary to the licence granted by the Gujarat Pollution Control Board under the provisions of the Environment (Protection) Act, 1986 (Act No. 29 of 1986). Therefore, the action of the of disconnecting the connection of the petitioner is ex-facie illegal, arbitrary and violative of Articles 14, 19 and 21 of the Constitution of India. The petitioner also states that they have filed civil suit on July 06, 2020. The Petitioner has also alleged that, the Respondents acting maliciously has disconnected the connection for discharge of the effluents, on July 18, 2020 and thereafter lodged FIR in Narol Police Station recorded as C.R. No.I-Part 'A' 11191065200707 of 2020, for the offences punishable under sections 406, 420, 465, 468, 471 and 114 of the Indian Penal Code, 1860. Aggrieved by such action of the Respondents the petitioner has filed this present petition under Article 226 of the Constitution of India.	Pending

3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

4. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities:

Vaxtex Cotfab Ltd. (formerly Vaxtex Cotfab Pvt. Ltd.):

A. Y.	Section Code	Date of Demand	Amount	Particulars and status
2012-2013	144	21/03/2018	3,75,96,836	The Appellant has filed a NIL return of income for A.Y 2012-2013, notices U/s 143(2) and 142(1) were issued to the assessee demanding the details of paid up share capital including share premium received amounting to Rs.3,93,50,000/- .A show cause notice was issued on 10/03/2015. Based on the details available the ITO has added Rs.3,93,50,000/- as unexplained paid up capital to the total income of the assessee and raised a demand of Rs.1,82,56,380/- Further the ITO has imposed a penalty of Rs.1,27,67,108/- on the above amount. The appellant has filed an appeal against both the orders at CIT(Appeals) on 24/03/2018. The matter is pending.

(ii) Indirect Taxes Liabilities: NIL

5. Other Pending Litigations: NIL

VII. Penalties imposed in past cases for the last five years:

Vaxtex Cotfab Ltd.:

- A penalty of Rs.25,000/- (plus Rs.4,500 as GST) was levied by the National Stock Exchange of India Limited on Vaxtex Cotfab Pvt. Ltd. for delayed filing of Financial Results under Regulation 33 of SEBI (LODR) Regulations for the quarter/year ended 31st March, 2020. The Company has paid the penalty on 26th March, 2021.
- A penalty of Rs. 6,000/- (plus Rs.1080 as GST) was levied by the National Stock Exchange of India Limited on Vaxtex Cotfab Pvt. Ltd. for non-compliances under Regulation 17(1), 18(1) and 27(2) of SEBI (LODR) Regulations. The Company has paid the penalty on 25th May, 2022.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on 31.01.2022:

₹ in lakh

Name	Balance as on 31.01.2022
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)	445.84
Total Outstanding dues to Creditors other than MSME	3318.60

Note: As per restated audited balance sheet.

Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

Except as described above, as on date of this draft red herring prospectus, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

Material Fraud against our Company in the last five years

There has been no material fraud committed against our Company since incorporation.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences for default or outstanding defaults.

Non-Payment of Statutory Dues

Except as disclosed in the chapter titled "**Financial Statements as Restated**" beginning on pages 194 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

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 230 of this draft red herring prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on 31.01.2022:

₹ in lakh

Name	Balance as on 31.01.2022
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)	445.84
Total Outstanding dues to Creditors other than MSME	3318.60

Note: As per restated audited balance sheet.

Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

Except as described above, as on date of this draft red herring prospectus, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

Material Fraud against our Company in the last five years

There has been no material fraud committed against our Company since incorporation.

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There are no fines imposed or compounding of offences for default or outstanding defaults.

Non-Payment of Statutory Dues

Except as disclosed in the chapter titled "**Financial Statements as Restated**" beginning on pages 194 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled "**Management's Discussion & Analysis of Financial Conditions & Results of Operations**" beginning on page 230 of this draft red herring prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER APPROVALS

Our business operations require various consents, licenses, registrations, permissions and approvals issued by relevant governmental and regulatory authorities under applicable rules and regulations. We have set out below an indicative list of all material consents, licenses, registrations, permissions and approvals obtained by our Company, and our Subsidiaries, as applicable, for the purposes of undertaking their respective business operations. Except as mentioned below, no further material consents, licenses, registrations, permissions and approvals are required to undertake the Offer. Unless otherwise stated herein and in the section “**Risk Factors**” beginning on page 25, these material approvals are valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see “**Key Regulations and Policies in India**” beginning on page 157.

We have also set out below, (i) material approvals or renewals applied for but not received; (ii) material approvals expired and renewal yet to be applied for; and (iii) material approvals required but not obtained or applied for, as on the date of this Draft Red Herring Prospectus.

A. Issue related Approvals

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on April 23, 2022 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra Ordinary General Meeting held on May 12, 2022 authorized the Issue.
3. Our company has obtained In-principle approval dated [●] from the NSE to use the name of NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our company has obtained In-principle approval dated [●] from the BSE to use the name of BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
5. The International Securities Identification Number (“ISIN”) of our Company is “INE0KXQ01017”.

B. Incorporation related Approvals

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Certificate of Incorporation in the name of “ Stitched Textiles (OPC) Private Limited ”	ROC – Ahmedabad	U17120GJ2015O PC084962	02/11/2015	Perpetual
2	Fresh Certificate of Incorporation consequent upon conversion to Private Limited Company as “ Stitched Textiles Private Limited ”	ROC – Ahmedabad	U17120GJ2015P TC084962	11/11/2019	Perpetual
3	Fresh Certificate of Incorporation consequent upon conversion to Public Limited Company as “ Stitched Textiles Limited ”	ROC – Ahmedabad	U17120GJ2015P LC084962	11/02/2022	Perpetual

C. Business Related Approvals

Description	Authority	Registration Number	Valid from	Valid up to
Permanent Account Number (PAN)	Income Tax Department, CBDT	AAWCS3756Q	02-11-2015	Perpetual
Tax Deduction Account No. (TAN)	Income Tax Department, CBDT	AHMS35983D	02-11-2015	Perpetual
Goods & Services Tax (GST) - Gujarat	GST Department, GOI	24AAWCS3756Q1ZA	01-07-2017	Perpetual
Goods & Services Tax (GST) – Maharashtra	GST Department, GOI	27AAWCS3756Q1Z4	31-05-2019	Perpetual
Goods & Services Tax (GST) – Bihar	GST Department, GOI	10AAWCS3756Q1ZJ	18/08/2021	Perpetual
Goods & Services Tax (GST) – Uttar Pradesh	GST Department, GOI	09AAWCS3756Q1Z2	19/08/2021	Perpetual
Goods & Services Tax (GST) – Delhi	GST Department, GOI	07AAWCS3756Q1Z6	23/08/2021	Perpetual
Goods & Services Tax (GST) – Haryana	GST Department, GOI	06AAWCS3756Q1Z8	13/09/2021	Perpetual
Goods & Services Tax (GST) – Rajasthan	GST Department, GOI	08AAWCS3756Q1Z4	15/09/2021	Perpetual
Goods & Services Tax (GST) – Madhya Pradesh	GST Department, GOI	23AAWCS3756Q1ZC	15/09/2021	Perpetual
Goods & Services Tax (GST) – Uttarakhand	GST Department, GOI	05AAWCS3756Q1ZA	09/10/2021	Perpetual
Goods & Services Tax (GST) – Chhattisgarh	GST Department, GOI	22AAWCS3756Q1ZE	10/02/2022	Perpetual
UDYAM MSME Registration Certificate	Ministry of MSME Government of India	UDYAM-GJ-01-0035663	30-12-2020	Perpetual
ISO 9001:2015 (Quality Management System)	Magnitude Management Services Pvt. Ltd.	22EQFS36	22-02-2022	21-02-2025
Registration Certificate for Employees Provident Fund	Employee Provident Fund Organisation	GJAH2548642000	31-12-2021	Perpetual-
Registration for ESI Act	Employee State Insurance Corporation	37001282110000199	31-12-2021	Perpetual-
Registration for Professional Tax	Ahmedabad Municipal Corporation, Profession Tax Department	PRC010511000285	31-3-2022	Perpetual

Some registrations/approvals as mentioned above are still in the name of old name, the issuer company is under process for updating of name is respective authority.

Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications.

D. Intellectual Property Related Approvals

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database, website content and technology.

Our company is using trademark logo  for which our Group Company M/s. Vaxtex Cotfab Limited has applied for Trademark Registration on November 25, 2020 which has been 'Accepted & Advertised' as on date of DRHP. However, our Company has also applied for the trademark registration as details mentioned below. Our Company has received NOC for usage right of logo from M/s. Vaxtex Cotfab Limited.

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
1		25	Device	Vaxtex Cotfab Limited	4756133	25/11/2020	Accepted & Advertised
2		9	Device	Stitched Textiles Limited	5359024	07/03/2022	Objected
3		25	Device	Stitched Textiles Limited	5359025	07/03/2022	Objected
4		26	Device	Stitched Textiles Limited	5359026	07/03/2022	Objected
5		35	Device	Stitched Textiles Limited	5359027	07/03/2022	Objected
6		42	Device	Stitched Textiles Limited	5359028	07/03/2022	Objected
7		25	Device	Stitched Textiles Private Limited	5069793	02/08/2021	Registered on 23/02/2022 & Valid till 02/08/2031
8		25	Device	Stitched Textiles Private Limited	4734500	06/11/2020	Registered on 06/05/2021 & Valid till 06/11/2030
9		25	Device	Stitched Textiles Private Limited	4734499	06/11/2020	Registered on 27/06/2021 & Valid till 06/11/2030

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
10	BRAND CLUB	35	Device	Stitched Textiles Private Limited	4734501	06/11/2020	Accepted & Advertised

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

- The Board, pursuant to its resolution dated April 23, 2022, authorised the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) and as per the applicable provisions of the Companies Act, 2013.
- The Shareholders of our Company have, by a special resolution passed at an EGM held on May 12, 2022, approved and authorized the Issue.
- The Board has approved the Draft Red Herring Prospectus pursuant to their resolutions dated June 17, 2022.
- In-principle approval for the listing of our Equity Shares from NSE dated [●].
- In-principle approval for the listing of our Equity Shares from BSE dated [●].

Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Mr. Jaimin Kailash Gupta was included in the list of wilful defaulters on 31.07.2021 by Bank of Baroda which was subsequently challenged in the High Court of Gujarat, which Vide its order dated 04.05.2022 has observed that the bank has failed to comply with the mechanism provided under the Revised Master Circular of the RBI dated 01.07.2015 and has violated the principles of natural justice, and thereby has quashed and set aside the action of the Bank. The Hon'ble High Court has remanded back this matter to the Identification Committee of the Bank to follow the procedure laid down in the master circular of the RBI dated 01.07.2015 and then send the matter to Review Committee of Bank. The complete details of the case has been included in Risk factor 1 on page no 26

Apart from the above, none of our Promoter or Directors have been declared as wilful defaulters or a fraudulent borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, member of Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the subscription money if it fails to do so.”

The Offer is being undertaken under Regulation 6(2) of the SEBI ICDR Regulations. We are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event, we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations:

- (i) None of our Company, our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (ii) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (iii) Mr. Jaimin Kailash Gupta was included in the list of wilful defaulters on 31.07.2021 by Bank of Baroda which was subsequently challenged in the High Court of Gujarat, which Vide its order dated 04.05.2022 has observed that the bank has failed to comply with the mechanism provided under the Revised Master Circular of the RBI dated 01.07.2015 and has violated the principles of natural justice, and thereby has quashed and set aside the action of the Bank. The Hon'ble High Court has remanded back this matter to the Identification Committee of the Bank to follow the procedure laid down in the master circular of the RBI dated 01.07.2015 and then send the matter to Review Committee of Bank. The complete details of the case has been included in Risk factor 1 on page no 26.

Apart from the above, none of the other Directors have been identified as a wilful defaulter or a fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
- (iv) None of our Promoters or Directors has been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).

Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and has complied with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

- (i) Our Company has made application to Stock Exchanges to seek an In-principle approval for listing of its Equity Shares on such Stock Exchanges and [●] is chosen as the designated Stock Exchange.
- (ii) Our Company, along with the Registrar to the Company, has entered into tripartite agreements dated March 04, 2022 and March 09, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- (iii) The Equity Shares of our Company held by our Promoters are in dematerialised form; and
- (iv) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLM FINSHORE MANAGEMENT SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM FINSHORE MANAGEMENT SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 17, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer shall be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of this Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors and BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website www.barcelonaclub.in or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a Section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise and the blocking of application amount by RIB bank on receipt of instruction from the Sponsor Bank on account of any error, omission or non-compliance by various parties involved in, or any fault, malfunctioning or break-down in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity

Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters 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 the Equity Shares.

The BRLM and their associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoters, Promoter Group and their respective directors and officers, Subsidiary, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, Promoter Group and Subsidiary, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in **Ahmedabad, Gujarat** only. This Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A and referred to in this Draft Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs"), pursuant to Rule 144A or another available exemption from, or in a transaction not subject to or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder.

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.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A or another available exemption from or in a transaction

not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented and warranted to and agreed with the Company and the BRLM that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more U.S. QIBs with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to another available exemption from the registration requirements under the U.S. Securities Act, and in each case in accordance with all applicable laws, including the state securities laws in the United States;
6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser is not acquiring the Equity Shares as a result of any form of “general solicitation” or “general advertising” (within the meaning of Rule 502(c) under the U.S. Securities Act) or any “directed selling efforts” (as that term is defined in Regulation S);
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

“THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF

RULE 144A UNDER THE SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR REALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.”

1. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
2. the purchaser acknowledges that the Company, the BRLM and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company and the BRLM, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All other Equity Shares Offered and Sold in the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with the Company and the BRLM that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly 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;
3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S;
4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
5. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, it will only do so pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;
7. the purchaser is not acquiring the Equity Shares as a result of any “directed selling efforts” (within the meaning of Rule 902(c) under the U.S. Securities Act);

8. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
9. the purchaser acknowledges that the Company, the BRLM and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company and the BRLM, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE Limited (hereinafter referred to as BSE). The disclaimer clause as intimated by BSE to our Company post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the ROC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). The disclaimer clause as intimated by NSE to our Company post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the ROC filing.

Listing

The Equity Shares proposed to be issued through the Draft Red Herring Prospectus and this Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications has been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the equity shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Offer Document in accordance with the applicable laws. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of equity shares at the Stock Exchanges are taken within six working days of the Bid/Issue Closing Date. If our Company does not allot equity shares pursuant to the issue within six working days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of the Promoter, our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, legal advisor, Bankers to our Company, the BRLM, the Registrar to the Issue have been obtained; and consents in writing of the Syndicate Members, the Public Issue Bank, Escrow Collection Bank Sponsor Bank and Refund Banker to act in their respective capacities, have been obtained / will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Expert to the Offer

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

Our Company has received written consent dated May 17, 2022 from J.S.Maheshwari & Co., Chartered Accountants, to include their name as required under Section 2(38) read with Section 26 of the Companies Act, 2013, in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated May 17, 2022 on our Restated Financial Information in this Draft Red Herring Prospectus and in respect of the Statement Possible Tax Benefit dated May 17, 2022 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Except as disclosed in “*Capital Structure*” on page 58, our Company has not undertaken any public issue or right issue in the five years preceding the date of this Draft Red Herring Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s incorporation.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any listed subsidiary/listed promoter as on the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries, or associate entities during the last three years

Except as disclosed in “*Capital Structure*” on page 58, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Further, as disclosed below, our listed Group Companies/Subsidiaries/Associates have not made any capital issues during the previous three years:

Name of the Company	Year of Issue	Types of Issue (public/ right/ composite)	Amount of Issue (₹ in Lakh)	Date of Closure of Issue	Date of allotment and date of credit of Securities to demat account	Date of completion of the project, where object of the issue was financing the Project	Rate of dividend paid
Vortex Cotfab Limited*	2019-20	IPO	383.04	03/01/2020	08/01/2020 & 10/01/2020	N.A.	N.A.

* Vortex Cotfab Limited is a group company which is listed on NSE Emerge Platform since January 13, 2020 and migrated to Mainboard on April 19, 2022

Details of Investor Complaints pending on the date of filing of Draft Red Herring Prospectus of Vaxtex Cotfab Limited (Group Company)

Securities and Exchange Board of India Welcome: Ms. Nidhi Bansal, Compliance Officer, VAXTEX COTFAB LIMITED	
Complaint	Search
Change Password	View Login Usage
Edit Profile	User Manual
Logout	
Last Successful Login on : 2022-04-23 12:06:01.852 Last Unsuccessful Login on : 2020-01-18 17:08:34.9	
Complaints Status as on: 17/06/2022	
Total Complaints Received	0
Total Resolved Complaints	0
Total Pending Complaints	0
Total Complaints Withdrawn	0
ATR/REPLY Sent and Pending With SEBI	0
Review(s) received	Click Here
Direct complaint(s) received from investor	Click Here
New Complaints from SEBI (For Assessment)	--
Clarification Sought By SEBI/Higher Organization	--
Action Taken Report Received	--
Action Taken Report Sent	--
Pending Complaints(Within Our Office)	--
Pending Complaints(With Investor)	--
Pending Complaints(With Subordinate Organisations)	--
Pending Complaints(With Subordinate Organisations - Atr not Received)	--
Reminder/Clarification received from investor/SEBI	--
Clarification sought from subordinate organisation	--

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidder can contact the Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as 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.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA 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 Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, nonreceipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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 three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company has not received any investor grievances during the three years preceding the date of the Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

We estimate that the average time required by our Company and/ or the Registrar to the Offer for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of nonroutine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Shivani Pathak, as the Compliance Officer and she may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

Stitched Textiles Limited

1st Floor, Barcelona House,
B/S. Star House.
Opp-Shell Pump Road,
Prahladnagar, Satellite,
Ahmedabad – 380015,
Gujarat, India Telephone: +91 97271 23838
E-mail: cs@barcelonaclub.in
Investor Grievance ID: investor@barcelonaclub.in

Our Company shall obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board has constituted a Stakeholders' Relationship Committee, which is responsible for redressal of grievances of the security holders of our Company. For more information, see ***"Our Management"*** beginning on page 171.

PRICE INFORMATION OF LAST 10 (TEN) ISSUED HANDLED BY THE BRLM

Statement on Price Information of Last 10 (Ten) Issues handled by Finshore Management Services Limited:

Sr. No.	Issue Name	Issue Size (₹ in Cr.)	Issue Price (In ₹)	Listing Date	Opening price on listing date (In ₹)	+/- % change in closing price, [+/- % change in closing benchmark] 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180 th calendar days from listing
1	ICL Organic Dairy Products Ltd.**	4.08	20/-	17/02/2020	20.80	-25.00 [-25.52]	-3.25 [-24.25]	9.75 [-7.74]
2	DJ Mediaprint & Logistics Ltd.**	2.40	20/-	13/04/2020	20.60	165.00 [2.22]	64.50 [19.24]	105.00 [32.00]
3	Promax Power Ltd.**	1.60	10/-	12/10/2021	11.00	54.00 [0.11]	126.00 [-0.85]	120.00 [-2.34]
4	Dynamic Services & Security Ltd.*	24.13	51/-	13/10/2021	53.00	-13.73 [-0.80]	-20.00 [-0.87]	-69.61 [-2.08]
5	Destiny Logistics & Infra Limited*	5.39	20/-	13/10/2021	20.70	-27.00 [-0.80]	-41.75 [-0.87]	-43.00 [-2.08]
6	Timescan Logistics (India) Limited*	4.81	51/-	12/01/2022	82.00	78.43 [-3.33]	79.90 [-2.95]	N. A.
7	Safa Systems & Technologies Ltd.**	4.00	10/-	09/02/2022	16.55	7.00 [-5.13]	-5.80 [-6.83]	N. A.
8	Shigan Quantum Technologies Limited*	22.70	50/-	11/03/2022	61.00	150.50 [6.94]	83.00 [-1.65]	N. A.
9	Swaraj Suiting Limited*	10.68	56/-	28/03/2022	56.00	32.14 [-0.12]	N. A.	N. A.
10	Fone4 Communications (India) Limited**	6.80	10/-	06/05/2022	10.00	-39.00 [1.70]	N. A.	N. A.

Status as on 16-06-2022

* NSE Emerge Platform

** BSE SME Platform

1. in case where the security is not being traded on 30th, 90th and 180th day, the previous working day has been considered.

2. in case where 30th, 90th and 180th day is holiday, the previous working day has been considered for benchmark and security purpose.

3. the benchmark index is SENSEX where the securities have been listed in BSE SME and Nifty where securities have been listed in NSE Emerge.

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount – 30 th calendar day from listing day			Nos. of IPOs trading at premium – 30 th calendar day from listing day			Nos. of IPOs trading at discount -180 th calendar day from listing day			Nos. of IPOs trading at premium – 180 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	8	57.68	1	1	2	1	N. A	3	3	1	2	1	N. A	1
2019-20	6	52.42	N. A	1	2	N. A	2	1	N. A	1	2	N. A	N. A	3
2020-21	1	2.40	N. A	N. A	N. A	1	N. A	N. A	N. A	N. A	N. A	1	N. A	N. A
2021-22	7	73.31	N. A	1	1	3	1	1	1	1	N. A	1	N. A	N. A
2022-23	1	6.80	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A

Status as on 16-06-2022

TRACK RECORD OF PAST ISSUES HANDLED BY FINSHORE MANAGEMENT SERVICES LIMITED

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.finshoregroup.com.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

The Company has not sought for any exemptions from complying with any provisions of securities laws.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may were or may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to offer for sale and listing and trading of securities, issued from time to time, by the SEBI, Government of India, Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, RBI and/or any regulatory authority while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of transfer in accordance with applicable law. For more information, see “**Main Provisions of Articles of Association**” beginning on page 314.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be received by the Allottees. For more information, see “**Dividend Policy**” and “**Main Provisions of Articles of Association**” on pages 193 and 314, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹1/- and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. At any given point in time there will be only one denomination for the Equity Shares.

The Price Band, the minimum Bid Lot, was decided by our Company in consultation with the BRLM, was published by our Company in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Gujarati daily, Gujarati being the regional language of Gujarat, where our Registered Office is located) at least two Working Days prior to the Bid/ Offer Opening Date, in, and were made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price were required to be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable law and our Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared;

- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “**Main Provisions of Articles of Association**” beginning on page 314.

Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated March 04, 2022 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated March 09, 2022 among CDSL, our Company and Registrar to the Offer.

Our Company International Securities Identification Number (ISIN) is INE0KXQ01017

Market Lot and Trading Lot

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “**Issue Procedure**” beginning on page 290.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/ authorities in Ahmedabad, Gujarat.

Joint Holders

Subject to provisions contained in our Articles, 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-tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, could nominate any one person in whom, in the

event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the entire or portion of the Issue for any reason at any time after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre- Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after within six Working Days of the Bid/ Issue Closing Date or such other time period as prescribed under applicable law; and (ii) the filing of the Prospectus with the RoC. If our Company in consultation with the Book Running Lead Manager, withdraw the Issue at any stage, including after the Bid/ Issue Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●][#]

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

** Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs, one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulation.

UPI mandate end time and date was at [●] on [●].

An indicative timetable in respect of the Offer is set out below:

FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT⁽¹⁾	On or about [●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE	On or about [●]

(1) In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated by the SCSB at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date till the date of the actual unblock. The SCSBs shall compensate the Bidder, immediately on the date of receipt of complaint from the Bidder. From the date of receipt of complaint from the Bidder, in addition to the compensation to be paid as stated above, the post-Offer BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of on which grievance is received by the BRLM or Registrar until the date on which the blocked amounts are unblocked.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the BRLM.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six (6) Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

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

In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	[●]
Bid/ Offer Closing Date*	
Submission and Revision in Bids	[●]

**UPI mandate end time and date was at [●] on [●].*

On the Bid/ Offer Closing Date, the Bids were uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked in the relevant ASBA Account, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders were cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids would not get uploaded due to lack of sufficient time. Such Bids that could not be uploaded were not considered for allocation under the Offer. Bids were accepted only during Working Days.

Minimum Subscription

As prescribed, the minimum subscription in the Issue shall be 90% of the Issue. If our Company does not receive (i) the minimum subscription of 90% of the Issue on the Issue Closing Date and (ii) minimum Allotment as specified under Rule 19(2)(b) of the SCRR or if the subscription level falls below 90% on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares to be listed on such Stock Exchanges, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after our Company becomes liable to pay the subscription amount as prescribed under the SEBI ICDR Regulations, our Company and every Director of our Company who are officers in default, shall pay interest at the rate of 15% per annum. Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, securities premium notes, etc. issued by our Company.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding, minimum Promoters' contribution and Anchor Investor lock-in in the Offer, as detailed in "**Capital Structure**" on page 58 and as provided in our Articles as detailed in "**Main Provisions of Articles of Association**" on page 314, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/ splitting.

ISSUE STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a securities premium of ₹ [●] per Equity Share) aggregating up to ₹ 20,000 lakh. The Issue will constitute [●] % of the post-Issue paid-up Equity Share capital of our Company.

The face value of equity shares is ₹1/- each.

The Issue is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation ^{*(2)}	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIB	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment/ allocation	Not less than 75% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not more than 15% of the Offer or the Offer less allocation to QIB Bidders and RIB will be available for allocation	Not more than 10% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. c) Up to [●] Equity Shares may be allocated on a	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “ <i>Issue Procedure</i> ” on page 290 of this Draft Red Herring Prospectus.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	discretionary basis to the Anchor Investors.		
Mode of Bidding	Through ASBA process only (except Anchor Investors).		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares, thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares, thereafter.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares, thereafter.		
Allotment Lot	A minimum [●] Equity Shares and in multiples of one Equity Share, thereafter.		
Mode of Allotment	Compulsorily in dematerialized form		
Trading Lot	One Equity Share		
Who can apply ⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 2,500 lacs, pension fund with minimum corpus of ₹ 2,500 lacs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies (as defined	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	under Regulation 2(1)(iii) of the SEBI ICDR Regulations).		
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. ⁽³⁾ In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA (excluding for Anchor Investors) Form at the time of submission of the ASBA Form and in case of UPI as an alternate mechanism, Bid amount shall be blocked at the time of confirmation of mandate collection request by applicant.		

* Assuming full subscription in the Issue.

(1) Our Company may, in consultation with the BRLM allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] % of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs.

(2) Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●]% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

(3) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. Provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For details of terms of payment applicable to Anchor Investors, see “Issue Procedure” on page 290 of this Draft Red Herring Prospectus.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “Terms of the Issue” on page 282 of this Draft Red Herring Prospectus.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters 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.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020 and the UPI Circulars (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 has been updated to reflect the amendments to the SEBI ICDR Regulations and provisions of the Companies Act to the extent applicable to a public issue and any other enactments and regulations. The General Information Document shall also be made available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this Section.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICELL/11/2015) dated November 10, 2015, as amended and modified by SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended and modified by SEBI Circulars (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles. Further, SEBI vide its 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, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force 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 the provisions of this circular, are deemed to form part of this Draft Red Herring Prospectus.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this Section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company in consultation with the BRLM in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional

Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, 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 BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●]% of the post Offer paid-up Equity Share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased Implementation of Unified Payments Interface

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 ("**UPI Circular**") has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until 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, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by RIBs ("**UPI Phase III**") and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead manager shall continue to coordinate with intermediaries involved in the said process.

If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, [●], all editions of the Hindi national daily newspaper, [●] and all editions of the Gujarati daily newspaper, [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located) on or prior to the Bid / Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

Further, our Company and the members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

Retail Individual Bidders making application using UPI shall use or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs upon receipt of the Bid cum Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchanges. Applications made by the Retail Individual Bidders using third party bank account or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. Post uploading the Bid details in the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Bidders with the Depositories.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the ASBA Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one (01) day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process including through UPI mode (as applicable), to participate in the Issue. ASBA Bidders must provide bank account details/UPI ID linked with bank account and authorisation by ASBA Bank holder to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made using third party bank accounts or using UPI ID linked with third party bank account are liable to be rejected.

Since the Issue is made under Phase II of the SEBI UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIBs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

- (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Further, ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum 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 FPIs or FVCIs (including their sub-accounts), Eligible NRIs applying on a repatriation basis, registered multilateral and bilateral development financial institutions applying on a repatriation basis [^]	[●]
Anchor Investors**	[●]

*Excluding electronic Bid cum Application Forms

**Anchor Investors Application forms will be made available only at the Office of the BRLM

[^]Electronic Bid cum Application Forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms from RIBs bidding using the UPI mechanism) to the respective SCSB, where the Bidder has a bank account with ASBA facility, details of which were provided by the Bidder in his respective ASBA Form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For RIBs Bidding using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs, for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders 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, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. 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.

Applications through UPI can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – www.sebi.gov.in at the following path: *Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI*

A list of SCSBs and mobile application, which, as on date of this Draft Red Herring Prospectus are live for applying in public issues using UPI mechanism is available on the SEBI website. The RIBs shall submit applications only through the UPI mechanism, which would be the only permissible mode. Therefore, the process of an investor submitting bid cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to SCSBs for blocking of funds, has been discontinued by SEBI vide its circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019.

An investor shall ensure that when applying in this Issue using the UPI mechanism, the name of his Bank should appear in the list of SCSBs which is displayed on the SEBI website indicating the names of those banks which are live on UPI. Further, he shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

Investors whose bank is not live on UPI, may use the other alternate channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account.

An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected. After the implementation of UPI phase III, the RIBs will not have the option of submitting bid-cum application form with any of the intermediaries for blocking of funds and making bids.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Electronic Registration of Bids

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation of Promoters and members of the Promoter Group of our Company, the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLM or any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), our Promoters and members of our Promoter Group cannot apply in this Issue.

Who can Bid?

In addition to the category of Bidders, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organisations authorised in India to invest in the Equity Shares; and

- Any other persons eligible to Bid in the Issue under the laws, rules, regulations, guidelines and policies applicable to them.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRI(s) in the Issue shall be subjected to the FEMA Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, shall apply in the individual name of the Karta. The Bidder/Applicant should specify in the Bid cum Application form, that the Bid being made in the name of the HUF, as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up equity share capital of our Company on a fully

diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap of the paid-up equity share capital of our Company on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route).

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI;
- such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager (“MIM”) structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;

Bids by SEBI registered Venture Capital Funds, Alternate Investment Funds and Foreign Venture Capital Investors

The SEBI FVCI Regulations, as amended and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third (1/3rd) of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up. Our Company and BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids 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 Bid cum Application Form, failing which our Company in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “**Banking Regulation Act**”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank’s own paid-up share capital and reserves, whichever is lower. However, a banking

company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if:

- the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of 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 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 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (No. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- a) equity shares of a company: the lower of 10% of the outstanding equity shares (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 operates: 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.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lakh a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be

attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 2500 lakh (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 lakh, 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 along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, a certified copy of (i) the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, must be attached to the Bid-cum Application Form.

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for upto 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the Net QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1000 lacs. A Bid cannot be submitted for over 60 % of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1,000 lacs.
- (c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- (e) Our Company in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 1,000 lacs;

- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1,000 lacs but up to ₹25,000 lacs, subject to a minimum Allotment of ₹ 500 lacs per Anchor Investor; and
 - in case of allocation above ₹25,000 lacs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 25,000 lacs, and an additional 10 Anchor Investors for every additional ₹25,000 lacs, subject to minimum allotment of ₹ 500 lacs per Anchor Investor.
- c) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- d) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- e) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- f) 50% Equity Shares allotted to Anchor Investors shall be locked-in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.
- g) The BRLM or any associates of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associate of the BRLM or FPIs other than Category III sponsored by the entities which are associate of the BRLM), our Promoters, Promoter Group or any person related to them will not participate in the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters or promoter group of the issuer: (i) rights under a shareholders' agreement or voting agreement entered into with promoters or promoter group of the issuer; or (ii) veto rights; or (iii) right to appoint any nominee director on the board of the issuer. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- h) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- i) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.
- j) For more information, see the General Information Document.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus. The investment limits for Systemically Important Non-Banking Financial Companies shall be as prescribed by RBI from time to time.

In accordance with RBI regulations, OCBs cannot participate in the Issue.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Draft Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of English national newspaper [●]; (ii) all editions of Hindi national newspaper [●]; and (iii) all editions of Gujarati newspaper [●], each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and all editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located).

Signing of the Underwriting Agreement and the RoC Filing

- Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the determination of the Issue Price.
- After signing the Underwriting Agreement, an updated Draft Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

- Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Ensure that you have Bid within the Price Band;
- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;
- Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
- Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
- Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;
- In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
- All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
- Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
- Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
- Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Except for Bids (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, (ii) Bids 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, and (iii) any other category of Bidders, including without limitation, multilateral/bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for 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 in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
- Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated

Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

- However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
- FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
- In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
- Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
- Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified 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, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
- Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
- Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
- Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are re-categorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and
- Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM.
- Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not Bid for lower than the minimum Bid size;
- Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

- Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
- Anchor Investors should not Bid through the ASBA process;
- Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
- Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
- Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
- Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
- If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
- Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
- Do not submit the General Index Register (GIR) number instead of the PAN;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
- Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
- Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;
- Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
- Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

- Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
- Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
- Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
- Anchor Investors shall not bid through the ASBA Process;
- Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
- Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and
- Do not bid if you are an OCB

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, helpline details of the BRLM pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

Name of the BRLM	E-mail
Finshore Management Services Limited	ramakrishna@finshoregroup.com

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, 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 or as may be prescribed by SEBI from time to time.

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 offered through the Issue through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the

Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public 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 Investors and Anchor Investors 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 Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to this Draft Red Herring Prospectus or the Prospectus.

Allotment Procedure and Basis of Allotment

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. No Retail Individual Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder 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.

Allotment to RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**").

The Allotment to the RIBs will then be made in the following manner:

- a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

Allotment to NIBs

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

Allotment to QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2018, this Draft Red Herring Prospectus or the Prospectus. Bids received from QIBs Bidding in the QIB Portion (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

1. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs;
2. In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Undersubscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

Allotment to Anchor Investor (if applicable)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company in consultation with the Book Running Lead Manager, subject to compliance with the following requirements:
 - (i) not more than 60 % of the QIB Portion will be allocated to Anchor Investors;
 - (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 1,000 lacs;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 1,000 lacs and up to ₹25,000 lacs subject to minimum Allotment of ₹ 500 lacs per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹25,000 lacs, and an additional 10 Anchor Investors for every additional ₹25,000 lacs or part thereof, subject to minimum Allotment of ₹ 500 lacs per such Anchor Investor.
- b) An Anchor Investor shall make an application of a value of at least ₹ 1,000 lacs in the Issue.
- c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- d) In the event that the Issue Price is higher than the Anchor Investor Issue Price, Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- e) In the event the Issue Price is lower than the Anchor Investor Issue Price, Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Basis of allotment for QIBs (other than Anchor Investors), NIBs and Reserved Category in case of over-subscribed issue

In the event of the Issue being over-subscribed, our Company, in consultation with the BRLM may finalise the Basis of Allotment with the approval of the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- Bidders may be categorized according to the number of Equity Shares applied for;
- The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

Designated Date and Allotment of Equity Shares

- **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

- Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders'/Applicants' Depository Account will be completed within six (6) Working Days of the Bid/Issue Closing Date.

Our Company shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10 lakh 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 ₹ 50 lacs or with both.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Anchor Investors: “Stitched Textiles Limited IPO Escrow-Anchor Investor-R”
- In case of Non-Resident Anchor Investors: “Stitched Textiles Limited IPO Escrow-Anchor Investor-NR”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated March 04, 2022 amongst NSDL, the Company and Registrar to the Issue.
- Agreement dated March 09, 2022 amongst CDSL, the Company and Registrar to the Issue.

Our Company International Securities Identification Number (ISIN) is INE0KXQ01017

The above information is given for the benefit of the Bidders/applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Undertakings by our Company

Our Company undertakes the following:

- Adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors;
- The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 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 (6) Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by SEBI;
- If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- The funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- 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 amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Bid/Issue Opening Date.
- The Allotment advice / refund confirmation to Eligible NRIs shall be dispatched within specified time, subject to availability of postal services in India;
- No Right Issue of the Equity Shares shall be made till the Equity Shares offered through the Draft Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;
- If our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
 1. If our Company, withdraws the issue at any stage including after closure of bidding, our Company shall be required to file a fresh draft offer document with the Board, in the event our Company subsequently decide to proceed with the Issue; and
 2. Our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Filing

A copy of this Draft Red Herring Prospectus dated March 18, 2022 shall be submitted to SEBI by way of an e-mail at cfddil@sebi.gov.in in accordance with the instructions issued by the SEBI through its circular dated March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD” and will be filed with SEBI electronically on the SEBI intermediary portal at <https://siportal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC, and a copy of the Prospectus shall be filed with the RoC at its office located at the Registrar of companies, Ahmedabad, RoC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Ahmedabad, Gujarat – 380013, India, as required under Sections 26 and 32 of the Companies Act, 2013 and through the electronic portal.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
- Details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- Details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

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 the 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. 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 DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, 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, will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA 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. Each Bidder should seek independent legal advice about its ability to participate in the Offer. 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 to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

As per the FDI Policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paidup share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “Offer Procedure” on page 290.

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registrations requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering of Equity Shares in the United States.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date

of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013 ARTICLES OF ASSOCIATION OF STITCHED TEXTILES LIMITED*

Article No.	Particulars	Headings
1	No regulations contained in Table “F” in the First Schedule to the Companies Act, 2013 shall apply to this Company, but the regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers by the Company with reference to the repeal or alteration of, or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in the said Articles.	Table “F” not to apply but Company to be governed by these Articles
INTERPRETATION		
2	(1) The marginal notes hereto shall not affect the construction hereof. In the interpretation of these Articles the following expression shall have the following meanings, unless repugnant to the subject or context:	Interpretation
	(2) “The Act” - The Companies Act 2013 or earlier Companies Acts (as may be in force) as the context may so require and includes the rules made thereunder and any statutory modification or re-enactment thereof for the time being in force.	The Act
	(3) “Alter” or “Alteration” shall include the making of additions, omissions, deletion and substitutions.	Alter and Alteration
	(4) “Annual General Meeting” - means a general meeting of the members held in accordance with the provisions of the Section 96 of the Companies Act, 2013.	Annual General Meeting
	(5) “Articles” means the Articles of Association of a Company as originally framed or as altered from time to time or applied in pursuance of any previous Company law or of this Act.	Articles of Association
	(6) “Auditors” - means and includes the persons appointed as such for the time being of the Company.	Auditors
	(7) “Beneficial Owner” - shall mean beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.	Beneficial Owner
	(8) “Board” or “Board of Directors” - means a meeting of the Directors or a Committee thereof 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, or acting by Circular Resolution under the Articles.	Board of Directors
	(9) “Bye-laws” - means the Bye-laws which may be made by the Board of Directors of the Company under these Articles and which may for the time being be in force.	Bye-laws
	(10) “Capital” - means the capital for the time being raised for the purpose of the Company.	Capital
	(11) “The Chairman” - means the Chairman of the Board of Directors for the time being of the Company	Chairman

* Amended pursuant to Special Resolution passed in the Extra Ordinary General Meeting held on 24th January, 2022

Article No.	Particulars	Headings
(12)	“The Company” or “This Company” – means STITCHED TEXTILES LIMITED.	The Company or This Company
(13)	“Debenture” - includes debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not. Provided that: (a) the instrument referred to in Chapter III-D of Reserved Bank of India Act, 1934; and (b) such other instrument, as may be prescribed by the central Government consultation with the Reserve bank of India, issued by the Company shall not be treated as debenture.	Debenture
(14)	“Depositories Act, 1996” - shall include statutory modifications or re-enactment thereof.	Depositories Act
(15)	“Depository” - shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.	Depository
(16)	“Directors” - means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a Circular Resolution under the Articles.	Directors
(17)	“Dividend” - includes any interim dividend.	Dividend
(18)	“Documents” - includes summons, notices, requisition, other legal process and registers, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.	Documents
(19)	“Executor” or “Administrator” - means a person who has obtained Probate or Letter of Administration, as the case may be, from a Competent Court.	Executor or Administrator
(20)	“General Meeting” - means a general meeting of the members whether Annual or Extra Ordinary General meeting duly called and convened as per these Articles of Association and in accordance with the provisions of the Companies Act, 2013.	General Meeting
(21)	“Group” - means a group of two or more individuals, associations, firms or bodies corporate, or any combination thereof, which exercises or is in a position to exercise, or has the subject of exercising, control over any individual, body corporate, firm or trust.	Group
(22)	“In writing” or “written” – means and includes words printed, lithographed, represented or reproduced in any other modes in a visible form, including telex, telegram.	In Writing or Written

(23) “Key managerial personnel”, in relation to a Company, means— (i) the Chief Executive Officer or the managing Director or the manager; (ii) the Company secretary; (iii) the whole-time Director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed;	Key Managerial Personnel
(24) “Managing Director” means a Director who, by virtue of the articles of a Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of managing Director, by whatever name called.	Managing Director
(25) “Members” - means the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub- section (1) of Section 2 of the Depositories Act, 1996.	Members
(26) “Memorandum” means the Memorandum of Association of a Company as originally framed or as altered from time to time in pursuance of any previous Company Law or of this Act.	Memorandum of Association
(27) “Month” - means a calendar month.	Month
(28) “Office” - means the registered office for the time being of the Company	Office
(29) “Ordinary Resolution” - shall have the meaning assigned to it by Section 114 of the Companies Act, 2013.	Ordinary Resolution
(30) “Paid-up” - includes capital credited as paid up.	Paid-up
(31) “Persons” – includes individuals, any Company or association or body of individuals whether incorporated or not.	Persons
(32) “Postal Ballot” means voting by post or through any electronic mode.	Postal Ballot
(33) “Promoter” means a person— (i) who has been named as such in a prospectus or is identified by the Company in the annual return referred to in section 92; or (ii) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, Director or otherwise; or (iii) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act: Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity	Promoter
(34) “Proxy” - means an instrument whereby any person is authorised to vote for a member at the general meeting on poll.	Proxy
(35) “The Register of Members” - means the register of members to be kept pursuant to Section 88 of the Companies Act, 2013.	The Register of Members
(36) “The Registrar” - means the Registrar of Companies.	The Registrar

(37)	“Seal” - means the Common Seal for the time being of the Company.	Seal
(38)	“SEBI” – means the Securities and Exchange Board of India.	SEBI
(39)	“Secretary” - means and include a temporary or Assistant Secretary and any person or persons appointed by the Board [in accordance with the provisions of the Companies (Secretary’s Qualifications) Rules 1975 or any other rules for the time being in force] to perform any of the duties of the Secretary.	Secretary
(40)	“Shares” - means the shares or stocks into which the capital of the Company is divided and the interest corresponding with such shares or stocks except where a distinction between stocks and shares is expressed or implied.	Shares
(41)	“Special Resolution”- shall have the meaning assigned thereto by Section 114 of the Companies Act, 2013.	Special Resolution
(42)	“Tribunal” – means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.	Tribunal
(43)	“Whole-time Director” includes a Director in the whole-time employment of the Company.	Whole-time Director
(44)	“Year” - means the calendar year and “Financial Year” - shall have the meaning assigned thereto by Section 2(41) of the Companies Act, 2013.	Year
(45)	Words importing the masculine gender also include the feminine gender.	Gender
(46)	Words importing the singular number includes where the context admits or requires, the plural number and vice versa.	Singular Number
(47)	Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force.	Expressions in the Act to bear the same meaning in Articles

CAPITAL

3	(1)	The Authorised Share Capital of the Company will be as that specified in Clause V of the Memorandum of Association from time to time in accordance with the regulations of the Company and the legislative provision for the time being in force in this behalf and power to divide the Share Capital into Equity Share Capital or Preference Share Capital and to attach thereto respectively, any preferential, qualified or special rights, privileges or conditions, and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents PROVIDED HOWEVER that where any Government has made an order under sub-section 4 of Section 62 of the Companies Act, 2013 directing that any debenture issued by the Company or loan taken by the Company or any part thereof shall be converted into shares of the Company and no appeal has been preferred to the Tribunal under sub-section (4) of Section 62 of the Companies Act, 2013 or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of increasing the Authorised Share Capital, stand altered and the Authorised Share Capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.	Authorised Share Capital

- (2) The Board, or a Committee of the Board authorized for this purpose by the Board, may, subject to the provisions of law, issue, grant and allot to employees of the Company stock options, equity shares or other securities, cashless options, stock appreciation rights, phantom options or any variant options, shares, rights or securities under any scheme of Employees Stock Options and Shares or other Schemes. Without prejudice to the generality of the foregoing and in particular:
- i) Employees shall for this purpose include Directors of the Company, whether whole-time or not and such other persons to whom such stock options, etc. can be issued under law but excluding such persons who cannot be issued stock options under applicable law;
 - ii) The issue of securities may be under a cashless scheme of options;
 - iii) Loans may be granted, directly or indirectly, or guarantee/security be provided to any person so granting such loan, to the proposed allottees of securities for acquiring the securities;
 - iv) The Company may set up a Trust for the purpose of administration of any of such Schemes and to which such stock options, etc. maybe granted and in respect of which loans/guarantees/security maybe given.
- The Company may also issue such stock options, etc. to any other person in any manner subject to applicable law.
- (3) The holders of Preference Shares shall be entitled to be paid out of the profits which the Directors shall determine to distribute by way of dividend, a fixed cumulative preferential dividend at such rates as maybe fixed by the Company (free of Company's tax but subject to deduction of tax at source at the prescribed rate), on the amount credited as paid up thereon and to the right, on winding up, to be paid all arrears of preferential dividend, whether earned or declared or not, down to the commencement of winding up, and also to be repaid the amount of capital paid or credited as paid up on the Preference Shares held by them respectively in priority to any payment in respect of Equity Shares, but shall not be entitled to any other rights in the profits or assets of the Company. Subject as aforesaid and to the rights of the holders of any othershares entitled by the terms of issue to preferential repayment over the Equity Shares, in the event of the winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement of the winding up.

Issue of Employees
Stock Options and
Shares

Preference Shares,
Rights of Holders

(4)	Subject to the provisions of Section 80 of the Companies Act, 1956 (as may be applicable) and Section 55 of the Companies Act, 2013 (as may be applicable) the following provisions shall apply in regards to redemption of Cumulative Preference Shares:	Redemption of Cumulative Preference Shares
	(i) The Company may subject to the terms of issue at any time but in any event not later than twenty years from the issue of shares apply any profits or monies of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par together with a sum equal to arrears of dividend thereon down to the date of redemption.	
	(ii) In the case of any partial redemption, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawing to be made at the office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.	
	(iii) Forthwith after every such drawing the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for the redemption and surrender of the shares to be redeemed.	
	(iv) At the time and place so fixed each holder shall be bound to surrender to the Company the Certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such Certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh Certificate thereof.	
(5)	Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects <i>pari passu</i> with the said Preference Shares, PROVIDED in the event of its creating and/or issuing Preference Shares in future, ranking <i>pari passu</i> with the Preference Shares proposed to be issued, the Company would do so only with the consent of the holders of not less than three-fourths of the Preference Shares then outstanding.	
(6)	The Redeemable Cumulative Preference Shares shall not confer on the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Companies Act, 2013.	
(7)	The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.	
(8)	Subject to the applicable provisions of the Companies Act, 2013, the Company shall have the power to issue, offer and allot Equity Warrants on such terms and conditions as may be deemed fit by the Board of Directors.	Equity Warrants at disposal
4	(1) The Company in general meeting may, by ordinary resolution from time to time, increase the capital by creation of new shares of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 47 and 55 of the Companies Act, 2013.	Increase of capital by the Company and how carried into effect

- (2) Whenever the capital of the Company has been increased under the provisions of this Article the Company shall file with the Registrar notice of the increase of capital as required by Section 64 of the Companies Act, 2013 within thirty days of the passing of the resolution authorising the increase, or of the receipt of the order of the Government or consequent upon an order made by the Government under Section 62 of the Companies Act, 2013.
- 5 Neither the original capital nor any increased capital shall be of more than two kinds, namely (i) Equity Share Capital and (ii) Preference Share Capital, as defined in Section 43 of the Companies Act, 2013. Capital of two kinds only.
- 6 Except in so far as otherwise provided by the conditions of issue or by these Articles any capital raised by creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. New Capital same as existing capital
- 7 Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be liable to the redeemed and there solution authorising such issue shall prescribe the manner, terms and conditions of redemption. Redeemable Preference Shares
- 8 On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof and subject to the provisions of the Act, the following provisions shall take effect: Provisions to apply on Issue of Redeemable Preference Shares
- (1) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.
- (2) No such shares shall be redeemed unless they are fully paid.
- (3) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account, before the shares are redeemed.
- (4) Where such shares are proposed to be redeemed out of the profits of the Company, there shall out of such profits, be transferred to a reserve fund to be called 'The Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Companies Act, 2013 relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
- (5) Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

9	(1) The Company may from time to time by special resolution, subject to confirmation by the Court or the Tribunal (as may be applicable) and subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013 and other applicable provisions, if any, reduce its share capital in any manner and in particular may – (i) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or (ii) either with or without extinguishing or reducing the liability on any of its shares, - (iii) cancel any paid up share capital which is lost or is unrepresented by available assets; (iv) pay off any paid up share capital which is in excess of the wants of the Company.	Reduction of Capital
	(2) Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities, and the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.	Buy Back of Shares
10	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.	Increase of Share Capital
11	Subject to the provisions of Section 61 of the Companies Act, 2013, the Company in general meeting may from time to time by an ordinary resolution alter its Memorandum to: (i) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares; (ii) 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 share from which the reduced share is derived; (iii) Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act. Whenever the Company does any one or more of the things provided for in the foregoing sub-clauses (i), (ii) and (iii), the Company shall, within thirty days thereafter give notice thereof to the Registrar as required by Section 64 of the Companies Act, 2013 specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.	Consolidation, division, sub-division and cancellation of shares

12	Whenever the share capital of the Company, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. Provided that if variation by one class of shareholders of the Company affects the rights of any other class of Shareholders of the Company, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Article shall apply to such variation. The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	Modification of rights
SHARES, DEBENTURES, OTHER SECURITIES AND CERTIFICATES		
13	The Company shall cause to be kept and maintained a Register of Members, register of debenture-holders, and a register of any other security holders in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares, debentures, or other securities held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Company is authorised to, if so required by the Company, maintain a part of its register of members, register of debenture holders and / or register of any other security holders outside India (such part of the relevant register shall be called the “Foreign Register”) and such Foreign Register shall contain the names and particulars of the members, debenture holders, other security holders or beneficial owners (as the case may be) residing outside India.	Register and Index of Members
14	(1) Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialise and rematerialise its existing shares, debentures and other securities and/or to offer its fresh shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any, and the register and index of beneficial owners maintained by the relevant Depository under section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index maintained by the Company. (2) 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 a beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996, 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 the records the name of the allottee as the beneficial owner of the security. (3) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 89 and 112 and such other applicable provisions of the Companies Act, 2013 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.	Dematerialisation Options for Investors Securities with Depositories to be in fungible form

(4)	(i) Notwithstanding anything to the contrary contained in the Companies Act, 2013 or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.	Rights of Depositories and Beneficial Owners
	(ii) Save and otherwise provided in (i) 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 securities shall be entitled to all rights and benefits and be subject to all liabilities in respect of the securities held by a Depository on behalf of the beneficial owner.	
(5)	Notwithstanding anything contained in the Companies Act, 2013 or these Articles to the contrary, where securities are held with a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of registered post or by speed post or by courier service or by leaving it at its Registered Office or by means of such electronic or other mode as may be prescribed.	Service of Documents
(6)	Nothing contained in Section 56 of the Companies Act, 2013, or these Articles shall apply to transfer of securities issued by the Company, effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.	Transfer of Securities
(7)	Notwithstanding anything contained in Section 56 of the Companies Act, 2013 or these Articles, where securities issued by the Company are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.	Allotment of Securities dealt with in a Depository
(8)	Nothing contained in Section 56 of the Companies Act, 2013 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.	Distinctive numbers of Securities held with a Depository
15	The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Section 39 of the Companies Act, 2013, as well as any other applicable provisions of the Act, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013 and/or as maybe prescribed under the Act.	Restriction on Allotment and Return of Allotment

16	(1) Where at any time, it is proposed to increase the subscribed capital of the Company by issue of further shares, such further shares shall be offered; (i) to the persons who, at the date of the offer, are holders of the Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions namely: (a) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined. Such notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue; (b) 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 sub-clause (i) hereof shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him; (c) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company. (ii) to the employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed	Further Issue of capital
- (2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons, if a special resolution to that effect is passed by the Company in general meeting, whether or not those persons include the persons referred to in sub-clause (1)(i) hereof, either for cash or for a consideration other than cash in accordance with the provisions of Section 62 of the Companies Act, 2013 (and the rules made thereunder) and in accordance with applicable rules and regulations prescribed by SEBI in this regard from time to time. Further, the option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meeting.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or the terms of any loans raised by the Company to convert such debentures or loans into shares in the Company. PROVIDED that the terms of issue of such debentures or terms of such loan containing such an option have been approved before the issue of such debentures or the raising of such loan by a special resolution passed by the Company in a general meeting.

- (4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorised share capital of the Company, be altered and the authorised share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

17	Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit subject to the sanction of the Company in a general meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount subject to the provisions of Sections 52, 53, 54 and 58 of the Companies Act, 2013 and for such time and for such consideration as the Directors think fit.	Share under control of Directors

18	(1) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to an account, to be called "THE SECURITIES PREMIUM ACCOUNT" and the provisions of the Companies Act, 2013 relating to reduction of share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up share capital of the Company.	Application of premium received on shares

- (2) Notwithstanding anything contained in clause (1) above but subject to the provisions of Section 52 of the Companies Act, 2013, the securities premium account may be applied by the Company-
- (i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus;
 - (ii) in writing off the preliminary expenses of the Company;
 - (iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company;
 - (iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company; or
 - (v) for the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.

19	In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 15 and 16, the Company in a General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013 and 108A of the Companies Act, 1956, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) be offered to such persons (whether members or not) 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 Sections 52, 53 and 54 of the Companies Act, 2013) as such General Meeting shall determine and with full power to give any person whether a member or not the option to call for 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 Sections 52, 53 and 54 of the Companies Act, 2013) such option being exercisable at such time and for such consideration as may be directed by such General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.	Power also to Company in General Meeting to issue shares
20	Except as provided in Section 54 of the Companies Act, 2013, the Company shall not issue shares at a discount. Any share issued by the Company at a discounted price shall be void.	Shares at a discount
21	If by the conditions of any allotment of any share, the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives.	Installments on shares to be duly paid
22	Subject to the provisions of the Companies Act, 2013 and these Articles, the Board may allot and issue shares in the capital of the Company as payment of any property sold or transferred or for service rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares.	The Board may issue shares as fully paid up
23	Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a member.	Acceptance of shares

24	The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.	Deposit and Call etc. to be a debt payable
25	Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall from time to time require or fix for the payment thereof.	Liability of Members
26	(1) Every member or allottee of shares shall be entitled, without payment, to receive one Certificate for all the shares of the same class registered in his name. Every Share Certificate shall specify the number and the distinctive number(s) of the shares in respect of which it was issued and the amount paid up thereon. Such certificate shall be issued only in pursuance of a Resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence. The certificate of title to shares shall be issued under the Seal of the Company and shall be signed in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within such time frame as may be prescribed in this regard after the allotment. (2) Any two or more joint allottees or holders of shares shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject to joint ownership, may be delivered to any one of such joint owners on behalf of all of them.	Share Certificates
27	No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised. PROVIDED FURTHER that in case of any Share Certificate being lost or destroyed the Company may issue a duplicate certificate in place of the Certificate so lost or destroyed on such terms as to evidence, out-of-pocket expenses in regard to investigation of such evidence and indemnity as the Board may determine.	Restriction on issue of share certificate.

28	Notwithstanding anything contained in Article 25, the Board of Directors may refuse applications for subdivision of Share Certificate into denominations of less than the marketable lot for the time being in force, except when such subdivision is required to be made to comply with a statutory order or an order of a competent court of law or to remedy a genuine mistake of fact or law. PROVIDED THAT the Directors may, at their discretion, in case of genuine needs, allow sub-division of share certificates in denomination of less than the marketable lots, and may, if necessary, require production of suitable documentary evidence therefore.	Sub-division of shares
29	If any share stands in the names of two or more persons the first named in the Register shall, as regards receipts of dividends or bonus or service of notice or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the provisions of the Act.	The first named joint holders deemed sole holder
30	Except as ordered by a court / Tribunal of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the beneficial owner thereof and accordingly shall not 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. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.	Company not bound to recognise any interest in share other than of Registered Holder
31	Notwithstanding anything contained hereinabove, a Member has a right to nominate one or more persons as his/her nominee(s) to be entitled to the rights and privileges as may be permitted under the law of such a member in the event of death of the said member/s subject to the provisions of the Companies Act, 2013, and other applicable laws.	Nomination
32	When any declaration is filed with the Company under the provisions of Section 89 of the Companies Act, 2013, (i) by any holder of shares who does not hold beneficial interest in such share specifying the particulars of the person holding beneficial interest in such shares, or (ii) by a person who holds or acquires a beneficial interest in any share of the Company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the Company and such other particulars as may be prescribed, the Company, or (iii) by the person referred to in (i) and the beneficial owner referred to in (ii) where any change occurs in the beneficial interest of such shares, the Company shall make a note of such declaration in its concerned register and file, within 30 days from the date of receipt of the declaration by it, a return with the Registrar with regard to such declaration together with the prescribed fees for the same.	Declarations in respect of beneficial interest in any share
33	Save as provided in Section 67 of the Companies Act, 2013, the Company shall not have the power to buy its own shares unless the consequent reduction of share capital is effected under the provisions of the Companies Act, 2013. The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person or for any share in the Company or in its holding Company.	No purchase or giving of loans to purchase Company's shares

UNDERWRITING AND BROKERAGE

34	Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures or debenture stock in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. Such commission shall be paid either out of the proceeds of the issue or the profit of the Company or both. Subject to the provisions of the Act, any commission payable as aforesaid may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.	Commission may be Paid
35	Where the Company has paid any sum by way of commission in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by Section 92 of the Companies Act, 2013.	Commission to be included in the Annual Return
36	The Company may pay a reasonable sum for brokerage.	Brokerage

INTEREST OUT OF CAPITAL

37	Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provisions of the plant.	Interest out of Capital

CALLS

38	Subject to the provisions of Section 49 of the Companies Act, 2013, the Board of Directors may, from time to time, by a Resolution passed at a meeting (and not by a Circular Resolution), make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium), and not by conditions of allotment thereof made payable at fixed time. Each member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.	Directors may make Calls
39	At least fourteen days' notice in writing of any call shall be given by the Company specifying the time or times and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls
40	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.	Call to date from Resolution

41	The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the members who on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension; but no members shall be entitled to such extension as of right except as a matter of grace and favour.	Directors may extend Time
42	If by the terms of issue of any share or otherwise any amount is or becomes payable at any fixed time or by installments at fixed times (whether on account of the nominal amount of the shares or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call made and notified.	Amount payable at fixed time or by installments to be treated as calls
43	If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rates as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of actual payment but the Directors may, in their absolute discretion, waive payment of such interest wholly or in part.	When interest on call or installment payable
44	On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any monies claimed to be due to the Company for any call in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered is entered in the Register of Members as the holder or as one of the holders of the shares at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such 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 and the proof of the matters aforesaid shall be conclusive evidence of the debt.	Evidence in actions by Company against shareholders
45	Neither a judgment nor a decree in favour of the Company for the calls or other monies due in respect of any shares nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.	Partial payment not to preclude forfeiture

46	The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the monies so paid in advance or so much thereof from time to time as exceeds the amount of the calls then made upon shares in respect of which such advances are made, the Board of Directors may pay or allow interest, at such rate not exceeding, unless the Company in general meeting shall otherwise direct, nine per cent per annum as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three months' notice in writing. The member paying any such sum in advance shall not be entitled to dividend or to participate in the profits of the Company or to voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable. Provided however and notwithstanding the aforesaid and subject to applicable law, the Company may pay dividends in proportion to the amount paid up on each share.	Payment in anticipation of calls may carry interest
LIEN		
47	The Company shall have a first and paramount lien upon all shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all monies (whether presently payable or not), called or payable at a fixed time in respect of such shares and no equitable interests in any such share shall be created except upon the footings and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends from time to time declared in respect of shares. PROVIDED THAT the Board of Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article.	Company to have lien on shares
48	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:- (i) unless a sum in respect of which the lien exists is presently payable; or (ii) until the expiration of fourteen days after the notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise out of their members to execute a transfer thereof on behalf of and in the name of such members.	As to enforcing lien by sale
49	(1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. (2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer. (3) The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	Transfer of shares sold under lien
50	(1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable; and	Application of proceeds of sale

- (2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

FORFEITURE OF SHARES

51	If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such nonpayment.	If money payable on share not paid notice to be given to member
52	For the purpose of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.	If call or installment not paid, notice may be given
53	The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	Form of notice
54	If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a Resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.	If default of payment, shares to be forfeited
55	When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.	Notice of forfeiture to a member
56	Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit. The Board may decide to cancel such shares.	Forfeited share to be the property of the Company and may be sold etc.
57	Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation so to do.	Member still liable to pay money owing at the time of forfeiture and interest
58	The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	Effect of forfeiture

59	The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.	Power to annul Forfeiture
60	(1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (3) The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of the shares; (4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment; (5) Such purchaser or allottee 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, reallotment or other disposal of the share.	Validity of forfeiture
61	The provisions of these Articles as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Provision of these Articles as to forfeiture to apply in case of nonpayment of any sum
62	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the Certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled thereto.	Cancellation of share certificates in respect of forfeited shares
63	The Directors may, subject to the provisions of the Companies Act, 2013, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.	Surrender of shares

TRANSFER AND TRANSMISSION OF SHARES

64	The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.	Register of Transfers

65	In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.	Transfer and Transmission of Shares and Securities held in electronic form
66	The instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of Section 56 of the Companies Act, 2013.	Form of Transfer
67	(1) An application for the registration and transfer of the shares in the Company may be made either by the transferor or the transferee. (2) Whether the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. (3) For the purpose of sub-clause (2), above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	Application for registration and transfer of shares
68	Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.	To be executed by transferor and transferee
69	A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution to the instrument of transfer.	Transfer by legal Representative
70	The Board of Directors may, after giving not less than seven days' previous notice by advertisement as required by Section 91 of the Companies Act, 2013 or such lesser period as may be specified by the Securities Exchange Board of India close the Transfer Books, the Register of Members or the Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board.	Transfer books when Closed
71	(1) Subject to the provisions of Sections 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force, the Directors may, at any time, in their own absolute and uncontrolled discretion decline to register or acknowledge any transfer of any share for sufficient cause and in particular may so decline in any case in which the Company has a lien upon the shares desired to be transferred or any call or installment regarding any of them remains unpaid. The registration of a transfer shall be conclusive evidence of the approval of the Directors of the transferee. PROVIDED THAT registration of a 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 in a lien on shares. (2) No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, unless represented by a guardian.	Directors may refuse to register transfers

72	If the Company refuses to register the transfer of any securities or transmission of any right therein, the Company shall within thirty days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal along with sufficient cause to the transferee and the transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force shall apply.	Notice of refusal to be given to transferor and transferee
73	In case of the death of any one or more persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.	Death of one or more joint-holders of shares
74	Except where a deceased member had made a nomination in respect of the shares held (in which case such shares shall be dealt with in the manner prescribed by the Act and the Rules thereunder), the executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate of the legal representative unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession Certificate as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 72 the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member, as a member.	Titles to shares of deceased member
75	Subject to the provisions of Articles 69 and 70 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by and lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require, either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such shares PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee as instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".	Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)
76	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	Refusal to register Nominee
77	The Company shall be entitled to decline to register more than four persons as the holders of any share.	Directors entitled to refuse to register more than four joint holders

78	A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.	Persons entitled may receive dividend without being registered as member
79	Prior to the registration of a transfer, the certificate or certificates of the share or shares to be transferred, and if no such certificate is in existence, the Letter of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly endorsed thereon.	Conditions of registration of transfer
80	No fee shall be charged for registration of transfer, grant of Probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.	No fee on transfer or Transmission
81	The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book or the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.	The Company not liable for disregard of a notice prohibiting registration of a transfer

COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS

82	The Company shall subject to the payment of the fee prescribed under Section 17 of the Companies Act, 2013, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being. (i) The Memorandum, (ii) The Articles, and (iii) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Companies Act, 2013, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.	Copies of Memorandum and Articles of Association to be sent by the Company to members

BORROWING POWERS

83	Subject to the provisions of Sections 179 to 180 of the Companies Act, 2013 and of these Articles, the Board of Directors may, from time to time at its discretion, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source. PROVIDED HOWEVER, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.	Power to borrow
84	The payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a Resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures of 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, and the debentures and the Debenture Stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.	The payment or repayment of monies Borrowed
85	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.	Terms of issue of Debentures
86	If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital
87	The Board of Directors shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Companies Act, 2013 of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 71 and Sections 77 to 87 (both inclusive) of the Companies Act, 2013, in that behalf to be duly complied with, so far as they are to be complied with by the Company. The Company shall comply with the provisions of Section 79 of the Companies Act, 2013 as regards modification of a charge and its registration with the Registrar.	Register of charges etc. to be kept
88	The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture Holders in accordance with Section 88 of the Companies Act, 2013. The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture-holders resident in the State or country.	Register and Index of Debenture holders

MEETINGS OF MEMBERS / GENERAL MEETINGS

89	(1) The Company shall in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of Sections 96 of the Companies Act, 2013 and shall specify the meeting as such in the notice calling it, except in the case where the Registrar, has given an extension of time for holding any Annual General Meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. PROVIDED THAT the Registrar may, for any special reason, extend the time within which any annual general meeting shall be held, by a period not exceeding three months.	Annual General Meeting
	(2) Every Annual General Meeting shall be called for any time during business hours, that is, between 9 a.m. and 6 p.m., on any day that is not a National Holiday (as defined under the Companies Act, 2013) and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being. (3) Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.	
90	At every annual general meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with Proxies, and the Register of Directors and Key Managerial Personnel maintained under Section 170 of the Companies Act, 2013.	Report, Statement and Registers to be laid before the Annual General Meeting
91	All general meetings other than annual general meeting shall be called Extra Ordinary General Meeting.	Extra-Ordinary General Meeting
92	(1) The Company shall comply with the provisions of Section 92 of the Companies Act, 2013 regarding the filing of Annual Return and as regards the annual return and certificates to be annexed thereto. (2) The Register required to be kept and maintained by the Company under Section 88 of the Companies Act, 2013 and copies of the annual return filed under Sections 92 of the Companies Act, 2013, shall be kept at the registered office of the Company. PROVIDED THAT such registers or copies of return may, also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved for this purpose by a Special Resolution passed in general meeting of the Company and the Registrar has been given a copy of the proposed Special Resolution in advance.	Annual Return Place of keeping & Inspection of registers & returns

(3)	(i) The registers and their indices, except when they are closed under the provisions of the Act, and the copies of all the returns shall be open for inspection by any member, debenture holder or other security holder or beneficial owner, during the business hours (subject to such reasonable restrictions as the Company may impose) without fee and by any other person on payment of such fees as may be prescribed under the Act and the rules made thereunder. (ii) Any such member, debenture-holder, other security holder or beneficial owner or any other person may take extracts from any register, or index or return without payment of any fee or require a copy of any such register or entries therein or return on payment of such fees as may be prescribed under the Act not exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.	Inspection	
(4)	The Company shall cause any copy required by any person under Clause (ii) of sub-clause (3) to be sent to that person within a period of seven days of the deposit of such fees exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.		
93	(1) Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of members as required in Section 100 of the Companies Act,:- (i) give notice to the members of the Company of any resolution which may properly be moved and is intended to be moved at a meeting; (ii) Circulate to members, any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. (2) Subject to the provisions of Section 100 of the Companies Act, 2013, the number of members necessary for a requisition under clause (1) hereof shall be such number or numbers who hold, on the date of receipt of the requisition, not less than one-tenth of the paid-up share capital of the Company as on that date carried the right of voting. (3) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless : (i) a copy of a requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company- (a) in the case of a requisition requiring notice of resolution, not less than six weeks before the meeting, (b) in the case of any other requisition not less than two weeks before the meeting, and (ii) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto. PROVIDED that if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general meeting is called on a date within six weeks after such copy has been deposited, the copy, although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.	Circulation of Members' Resolution	of

(4)	The Company shall not also be bound under this Article to circulate any statement, if, on the application either of the Company or of any other person who claims to be aggrieved, the Central Government by order declares that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.	
94	The Directors may, whenever they think fit convene an extraordinary general meeting and they shall on requisition of the members as hereinafter provided, call an extraordinary general meeting of the Company within the period specified below.	Extra-ordinary General Meeting by Board and by requisition
95	In case of requisition the following provisions shall have effect : (i) The requisition shall set out the matters for the consideration of which the meeting is to be called, and shall be signed by the requisitionists and sent to the registered office of the Company. (ii) The number of members entitled to requisition an extraordinary general meeting shall be such number of members who hold at the date of the receipt of the requisition, not less than one-tenth of such of the paid up capital of the Company as on that date carries the right of voting. (iii) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of receipt of the requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition. (iv) A meeting called under clause (iii) by requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board. (v) Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-clause (iii) shall be reimbursed to the requisitionists by the Company, and any sums so paid shall be deducted from any fee or other remuneration under Section 197 of the Companies Act, 2013 payable to such of the Directors who were in default in calling the meeting.	Contents of requisition and number of requisitionists required and the conduct of meeting
96	A general meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed by the Act and the rules made thereunder. Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.	Length of notice of Meeting
97	(1) Every notice of a meeting of the Company shall specify the place, date, day and hour of the meeting and shall contain a statement of the business to be transacted thereat. (2) The notice of every meeting shall be given to: (i) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member; (ii) the Auditor or Auditors for the time being of the Company; and (iii) every Director of the Company.	Contents and manner of service of notice

	(3)	In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote at the meeting is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member of the Company.	
98	(1)	(i) In the case of an annual general meeting, all business to be transacted at the meeting, shall be deemed special with the exception of business relating to: (a) The consideration of financial statements and the reports of the Board of Directors and Auditors; (b) The declaration of any dividend; (c) The appointment of Directors in the place of those retiring; and (d) The appointment of, and the fixing of the remuneration of the Auditors (ii) In the case of any other meeting, all business shall be deemed special; (2) PROVIDED that 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 Company shall, if the extent of such shareholding interest is not less than two per cent of the paid-up share capital of that Company, also be set out in the statement. (3) Where any item of business refers to any document which is to be considered by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.	Special and ordinary business and explanatory statement
99		Any accidental omission to give any such notice as aforesaid to or the nonreceipt thereof by any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of any such meeting.	Omission to give notice not to invalidate a resolution passed
100		No general meeting, annual or extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.	Notice of business to be given
101		The number of members prescribed under Section 103 of the Companies Act, 2013 and entitled to vote and present in person shall be a quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State, if he is a member of the Company, shall be deemed to be personally present if he is represented in accordance with Section 112 of the Companies Act, 2013.	Quorum for General Meeting

102	(1) If within half an hour from the time appointed for holding a meeting of the Company the quorum is not present, (i) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine; or (ii) the meeting, if called by requisitionists in accordance with Section 100 of the Companies Act, 2013, shall stand cancelled. Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under sub clause(i), the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated. (2) If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum and may transact the business for which the meeting was called.	Presence of quorum
103	Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.	Resolution passed at adjourned meeting
104	The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of their members to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting. The Chairman may, at the same time, be appointed as Managing Director or Deputy Managing Director or Whole Time Director or Chief Executive Officer of the Company.	Chairman of General Meeting
105	No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.	Business confined to election of Chairman whilst chair vacant
106	(1) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time from place to place. (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Chairman may adjourn Meeting
107	At any general meeting, a resolution put to the vote of the meeting shall unless a poll is demanded under Section 109 of the Companies Act, 2013, or the voting is carried out electronically, be decided on a show of hands.	Voting to be by show of hands in the first instance

108	A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact of passing of such resolution, or otherwise, without proof of the number or proportion of votes in favour or against such resolution.	Chairman's declaration of result of voting on show of hands
109	(1) Before or on the declaration of result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakhs rupees or such higher amount as may be prescribed has been paid-up. (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.	Demand for poll
110	A poll demanded for adjournment of the meeting or appointment of Chairman of the meeting shall be taken forthwith. A poll demanded on any question other than adjournment of the meeting or appointment of a Chairman shall be taken at such time, not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.	Time of taking poll
111	In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.	Chairman's casting vote
112	Where a poll is to be taken, the Chairman of the meeting shall appoint one scrutineer to scrutinise the vote given on the poll and to report thereon to him. Subject to the provisions of Section 109 of the Companies Act, 2013, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.	Scrutineers at poll
113	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business
114	Subject to the provisions of Section 110 of the Companies Act, 2013 and these Articles, and as may be applicable by law, the Company shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting.	Vote by Postal Ballot

115	A copy of each of every resolutions or agreement in respect of the following matters together with the explanatory statement under Section 102 of the Companies Act, 2013, if any, annexed to the notice calling the meeting in which such resolution is proposed, shall be filed with the Registrar within thirty days of the passing or making thereof in such a manner and with such fees as may be prescribed within the time specified under Section 403 of the Companies Act, 2013: (i) Every special resolution; (ii) Every resolution which has been agreed to by all members of the Company, but which, if not so agreed to, would not have been effective for the purpose unless it had been passed as a special resolution; (iii) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal of appointment or variation in the terms of appointment of a Managing Director; (iv) Every resolution or agreement which has been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for the purpose unless it had been passed by a specified majority or otherwise in some particular manner; and every resolution or agreement which effectively binds all the members or any class of shareholders though not agreed to by all those members; (v) Every resolution passed by the Company according consent to the exercise by the Board of Directors of any of the powers under clause (a), and clause (c) of sub-section (1) of the Section 180 of the Companies Act, 2013;. (vi) Every resolution requiring the Company to be wound up voluntarily passed in pursuance of Section 304 of the Companies Act, 2013 (vii) Every resolution passed in pursuance of sub-section (3) of Section 179 of the Companies Act, 2013; and (viii) Any other resolution or agreement as may be prescribed and placed in the public domain. Provided that the copy of every such resolution which has the effect of altering the Articles and the copy of every agreement referred to above shall be embodied in or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement.	Registration of documents with the Registrar

VOTES OF MEMBERS

116	A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.	Member paying money in advance not to be entitled to vote in respect thereof
117	No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.	Restriction on exercise of voting rights of members who have paid calls

118	Subject to the provisions of Section 43 and sub-section (2) of Section 50 of the Companies Act, 2013, every member of the Company holding any equity share capital shall have a right to vote on every resolution placed before the Company; and his voting rights on a poll shall be in proportion to his share of the paid-up equity share capital of the Company. Every member holding any preference share capital of the Company, shall, in respect of such capital, have the right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and his voting rights on a poll shall be in proportion to his share in the paid up preference share capital of the Company. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares: PROVIDED FURTHER that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the Company.	Number of votes to which member entitled
119	A member of unsound mind or in respect of whom 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. A member, be a minor, the vote in respect of his share or shares shall be his guardian, or any one of his guardian, if more than one, to be elected, in case of dispute by the Chairman of the meeting.	Vote of member of unsound mind and Minor.
120	If there be joint registered holders of any shares any one of such persons may vote at any meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and, if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holder shall be entitled to be present at the meeting; provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators or a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.	Votes of joint members
121	(1) A body corporate (whether a Company within the meaning of the Act or not) may, (i) if it is member of the Company by a resolution of its board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company; (ii) if it is a creditor, (including a holder of debentures of the Company) by a 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 the 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.	Representation of body Corporate

2)	A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.	
122	Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit, to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a member of the Company.	Representation of President and Governors in meetings
123	Any person entitled under the Transmission Clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of deceased or insolvent Members
124	Subject to the provisions of these Articles vote may be given either personally or by proxy.	Voting in person or by Proxy
125	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Rights of members to use his votes differently
126	Subject to the provisions of the Act and the rules made thereunder, any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself Provided that a proxy so appointed shall not have the right to speak at the meeting and shall not be entitled to vote except on a poll. PROVIDED FURTHER that a person appointed as proxy shall act on behalf of such number of members not exceeding fifty and such number of shares as may be prescribed. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies and that the proxy need not be a member. Every Proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common seal of such corporation, or be signed by an officer or an attorney duly authorised by it, and any Committee or guardian may appoint such Proxy.	Proxies
127	An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.	Proxy either for specified meeting or for a period
128	No member present only by proxy shall be entitled to vote on a show of hands.	No proxy except for the corporation to vote on a show of hands

129	The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the office forty-eight hours before the time for holding the meetings at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.	Deposit of instrument of appointment
130	Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in the Companies (Management and Administration) Rules, 2014 (or any corresponding amendment or modification thereof that may be prescribed).	Form of proxy
131	Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting, and ending with the conclusion of the meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so as to inspect is given to the Company.	Inspection of proxies
132	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the commencement of the meeting, or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding revocation of authority
133	No objection shall be made to the qualification of any vote or to the validity of the vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting.	Time for objections to Vote
134	The Chairman of any meeting shall be sole judge of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	Chairman of any meeting to be the Judge of validity of any vote
135	If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects, copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.	Custody of instrument

DIRECTORS

136	Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 and 152 of the Companies Act, 2013, the number of Directors shall not be less than 3 and not more than 15 and the manner of constituting the Board shall be as prescribed under the Act and as may be directed by the Securities and Exchange Board of India.	Number of Directors

137	The First Director of the Company is : 1. Mr. Jaimin Gupta, Director	Directors
138	Any Trust Deed for securing and covering the issue of debentures or debenture stocks of the Company, may 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 for and on behalf of the debenture holders for such period for which the debentures or any of them shall remain outstanding and may empower such Trustees or 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 liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.	Debenture Directors

Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to (i) the Life Insurance Corporation of India (LIC), (ii) the Infrastructure Development Finance Company Limited, (iii) specified Company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, (iv) institutions notified by the Central Government under sub-section (2) of Section 4A of the Companies Act, 1956,

(v) such other institutions as may be notified by the Central Government in consultation with the Reserve Bank of India, or (vi) any other bank or entity providing financing facilities to the Company (each of the above is hereinafter in this Article referred to as “the Corporation”) out of any loans/debentures assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time (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 or persons so appointed and to appoint any person or persons in his or their place/s. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation 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 so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement 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 monies owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company 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, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, 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 or 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 also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that in the event of the Nominee Director/s being appointed as Managing Director/Whole Time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and

140	In connection with any collaboration arrangement with any Company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, corporation, firm or person (hereinafter referred to as “Collaborator”) to appoint from time to time any person as a Director of the Company (hereinafter referred to as “Special Director”) and subject to the provisions of the Act, may agree that such Special Directors shall not be liable to retire by rotation so however that Special Director shall hold office so long as such collaboration arrangement remains in force. The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any timeafter such removal and also in the case of death or resignation of the person soappointed, at anytime nominate any other person as a Special Director in his place and such nomination or removal shall be made in writing signed by the collaborator, his authorised representative and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one collaborator is so entitled there may be at anytime as many Special Directors as the number of Collaborators eligible to makethe appointment.	Special Directors
141	The provisions of Articles 138,139 and 140 are subject to the provisions of Section 152 of the Companies Act, 2013, and the number of such Directors appointed under Articles 138,139,140 and 170 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office. However, the Independent Director appointed under Section 152 of the Companies Act, 2013 will not be considered for the purpose of calculating the total number of Directors liable for retirement by rotation and term of such IndependentDirector shall be as provided under Section 149of the Companies Act, 2013.	Limit on number of retiring Directors
142	The Board may appoint a person, not being a person holding any alternate Directorship for any other Director in the Company (hereinafter called the Original Director) to act as an Alternate Director for the Original Director during hisabsence for a period of not less than three months from India. Provided that no person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act. Every such Alternate Director, shall subject to his givingto the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director is determined before he returns to India,any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	Appointment of Alternate Director
143	The Directors shall have power at anytime and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.	Directors may fill Vacancies

144	The Directors shall also have power at any time and from time to time to appoint any other qualified person, other than a person who fails to get appointed as a Director in a general meeting of the Company, to be an Additional Director who shall hold office only up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.	Additional Director
145	A Director shall not be required to hold any qualification shares.	Qualification of Directors
146	The remuneration payable to a non-whole-time-Director for attending each meeting of the Board or a Committee thereof shall be such sum as may be fixed by the Board of Directors not exceeding the maximum as may be prescribed by the Act (and the rules made thereunder), SEBI, or by the Central Government. The Directors, subject to the sanction of the Central Government (if any required), may be paid such further remuneration as the Company in general meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine; and in default of such determination shall be divided among the Directors equally.	Remuneration of Directors
147	Subject to the provisions of Sections 197 and 188 of the Companies Act, 2013 and other applicable provisions of the Act and the rules made thereunder, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.	Extra remuneration to Directors for special Work
148	The Board of Directors may subject to the limitations provided by the Act allow and pay to any Directors who attends a meeting at a place other than his usual place or residence for the purpose of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	Travelling expenses incurred by Directors on Company's business
149	The Continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the Continuing Directors may act for the purpose of filling vacancies to increase the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company, but for no other purpose.	Directors may act notwithstanding vacancy

150	(1)	Subject to the provisions of Section 164 and 165 of the Companies Act, 2013, a person shall not be capable of being appointed Director of the Company, if – (i) he is of unsound mind and stands so declared by a Court of competent jurisdiction; (ii) he is an undercharged insolvent; (iii) he has applied to be adjudged an insolvent and his application is pending; (iv) he has been convicted by a court of any offence involving moral turpitude or otherwise, and 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; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a Director of the Company. (v) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call; (vi) he has been convicted of the offence dealing with related party transactions under Section 188 of the Companies Act, 2013 at any time during the last preceding five years; or (vii) he has not complied with sub-section (3) of Section 152 of the Companies Act, 2013.	Disqualification for appointment of Directors
	(2)	No person who is or has been a Director of a Company, where the Company— (i) has not filed financial statements or annual returns for any continuous period of three financial years; or (ii) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a Director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.	

151	(1) Subject to the provisions of Section 167 of the Companies Act, 2013, the office of a Director shall become vacant if : (i) he incurs any of the disqualifications specified in Section 164 of the Companies Act, 2013; (ii) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board; (iii) he acts in contravention of the provisions of Section 184 of the Companies Act, 2013, relating to entering into contracts or arrangements in which he is directly or indirectly interested; (iv) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Companies Act, 2013; (v) he becomes disqualified by an order of a court or the Tribunal; (vi) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months; Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court; (vii) he is removed in pursuance of the provisions of the Act; (viii) he, having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in that Company.	Vacation of office by Directors
152	(1) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles) by ordinary resolution remove any Director before the expiry of his period of office. Provided that nothing contained in this sub-clause shall apply where the Company has availed itself of the option given to it under Section 163 of the Companies Act, 2013, to appoint not less than two-thirds of the total number of Directors according to the principle of proportional representation. (2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed. (3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	Removal of Directors

- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so (i) in the notice of the resolution given to the members of the Company, state the fact of the representations having been made, and (ii) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (before or after the receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting:

Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter, and the Tribunal may order the Company's costs on the application to be paid in whole or in part by the Director notwithstanding that he is not a party to it.

- (5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board be filled by the appointment of another Director in his stead at the meeting at which he is removed; Provided special notice of the intended appointment has been given. A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- (6) If the vacancy is not filled under sub-clause (5), it may be filled as a casual vacancy in accordance with the provisions of the Act.
- (7) A Director who was removed from office under this Article shall not be reappointed as a Director by the Board of Directors.
- (8) Nothing contained in this Article shall be taken:
- i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director as per the terms of contract or terms of his appointment as Director, or of any other appointment terminating with that as Director; or
 - ii) as derogating from any power to remove a Director under the provisions of the Act.

- 153 (1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 184 of the Companies Act, 2013.

Disclosure of
Director's Interest

- (2) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—
- (i) with a body corporate in which such Director or such Director in association with any other Director, holds more than two per cent of the shareholding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate; or
 - (ii) with a firm or other entity in which, such Director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting;

Provided that where any Director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- (3) Nothing in this Article shall –
- (i) be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contract or arrangement with the Company;
 - (ii) apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one or more of the Directors of the Company together holds or hold not more than two percent of the paid up share capital in other Company.

154	(1) Except with the consent of the Board of Directors of the Company (or the Audit Committee) given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Company, a Company shall not enter into any contract or arrangement with a related party with respect to, (i) sale, purchase or supply of any goods or materials; (ii) selling or otherwise disposing of, or buying, property of any kind; (iii) leasing of property of any kind; (iv) availing or rendering of any services; (v) appointment of any agent for purchase or sale of goods, materials, services or property; (vi) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and (vii) underwriting the subscription of any securities or derivatives thereof, of the Company: Notwithstanding the provisions of this sub-clause (1) of this Article, where prescribed, the Company shall enter into such contracts and / or arrangements only with the prior approval of the members of the Company by a special resolution. However, no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party: It is clarified that this sub-clause shall not apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis. (2) Every contract or arrangement entered into under sub-clause (1) shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.	Board resolution necessary for certain contracts
155	If the Company – (i) enters into a contract for the appointment of a manager or a Managing Director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested, or (ii) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Companies Act, 1956 or other applicable provisions of law shall be complied with.	Disclosure to the members of Director's interest in contract in appointing manager
156	Subject to the provisions of Section 185 of the Companies Act, 2013, the Company shall not, directly or indirectly make any loan to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with a loan taken by him or such other person.	Loans to Directors etc.
157	The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the companies or bodies corporate under the same management as provided in Section 186 of the Companies Act, 2013.	Loans etc. to Companies

158	No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, it shall be void;	Interested Director not to participate or to vote in Board's proceedings.
ROTATION & APPOINTMENT OF DIRECTORS		
159	A Director may be or become a Director of any Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197 or Section 188 of the Companies Act, 2013 (and the rules made thereunder) may be applicable.	Directors may be Directors of Companies promoted by the Company
160	Not less than two-thirds of the total number of Directors shall (i) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (ii) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.	Rotation of Directors
161	Subject to the provisions of Section 152(6) and 152(7) of the Companies Act, 2013, at every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third, shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, or Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.	Retirement of Directors
162	The Directors who retire by rotation under Article 161 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.	Ascertainment of Directors retiring by rotation and filling of vacancies
163	A retiring Director shall be eligible for the re-appointment.	Eligibility for reelection
164	Subject to the provisions of the Act, the Company at the annual general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.	Company to fill Vacancies
165	(1) If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill 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 public holiday till the next succeeding day which is not a public holiday, at the same time and place.	Provisions in default of appointment

- (2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless –

i) at the meeting or the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

iii) he is not qualified or is disqualified for appointment; or

iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act,

166	Subject to the provisions of Sections 149 and 152 of the Companies Act, 2013, the Company may, by special resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.	Company may increase or reduce the number of Directors or remove any Director
167	(1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it. (2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved is passed, no provision for the automatic reappointment of retiring Director in default of another appointment as hereinbefore provided, shall apply. (3) For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.	Appointment of Directors to be voted Individually
168	(1) Subject to the provisions of the Act, a person, not being a Retiring Director in terms of Section 152 of the Companies Act, 2013, shall be eligible for appointment to the office of Director at any general meeting if he or some other member intending to propose him has, at least fourteen days before the meeting, left at the registered office of the Company a special notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for office as the case may be along with the deposit of Rupees one lakh or such higher amount as may be prescribed which shall be refunded to such person or as the case may be, to the member, if the person succeeds in getting elected as a Director or secures more than 25% of the total valid votes cast either by way of show of hands or on a poll on such resolution. (2) The Company shall inform its members of the candidature of the person for the office of Director in such manner as may be prescribed.	Notice of candidature for office of Director except in certain cases

- (3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company, a notice under Section 160 of the Companies Act, 2013, signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- (4) A person other than :
- (i) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
 - (ii) An Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013, appointed as a Director or re-appointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

169	The Company shall keep at its registered office a Register containing the particulars of its Directors and key managerial personnel as specified in Section 170 of the Act, and shall send to the Registrar a Return containing the particulars specified in such Register, and shall otherwise comply with the provisions of the said Section in all respects.	Register of Directors etc. and notification of change to Registrar

MANAGING DIRECTOR, WHOLE TIME DIRECTOR

170	Subject to the provisions of Section 196, 203 and other applicable provision of the Companies Act, 2013, and these Articles, the Directors shall have power to appoint or re-appointment any person to be Managing Director, or Whole Time Director for a term not exceeding five years at a time Provided that no re-appointment shall be made earlier than one year before the expiry of his term. Such a Managing Director can also act as chairperson of the Company.	Board may appoint Managing Director or Managing Director(s) or Whole Time Directors
171	Subject to the provisions of the Act and these Articles, the Managing Director, or the Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 160 but he shall be subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or Whole Time Directors) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in to the intent that the Directors so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.	What provisions they will be subject to
172	The remuneration of the Managing Director, Whole Time Director, or Manager shall (subject to Sections 197 to 200 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits, or by fee for such meeting of the Board or by all these modes or any other mode not expressly prohibited by the Act.	Remuneration of Managing or Whole Time Director(s)

173	Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) and/or Whole Time Director(s) appointed under Article 170 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole Time Director or Whole Time Directors such of the power hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.	Powers and duties of Managing and Whole Time Director(s)

KEY MANAGERIAL PERSONNEL

174	Subject to the provisions of the Act and rules thereunder: i) Key Managerial Personnel (A Chief Executive Officer, or Managing Director or Manager, Company Secretary, Whole-time Director, Chief Financial Officer and such other officer as may be prescribed) shall be appointed by the Board of Directors for such terms at such remuneration and upon such terms and conditions as it may think fit and any Key Managerial Personnel so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more Chief Executive Officers for its multiple business. ii) A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer. Any provision of the Act or there articles requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of Chief Executive Officer, Manager, Company Secretary, or Chief Financial Officer.	Key Managerial Personnel

PROCEEDINGS OF THE BOARD OF DIRECTORS

175	The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 173 of the Companies Act, 2013 otherwise directs, shall so meet at least once in every one hundred and twenty days and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.	Meeting of Directors
176	(1) Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director. (2) A Director may at any time and the Secretary upon the request of Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telex or telegram to any Director who is not in India.	Notice of meetings When meeting to be Convened

177	(1) Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and 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 at any meeting exceeds or is equal to two-third 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 quorum during such time. (2) For the purpose of clause (1) : (i) "Total Strength" of the Board of Directors of the Company shall be determined in pursuance of the Act, after deducting there from number of the Directors, if any, whose places may be vacant at the time, and (ii) "Interested Directors" means any Director whose presence cannot by reason of Article 158 hereof or any other provisions in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.	Quorum for a meeting of the Board of Directors
178	If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.	Procedure when meeting adjourned for want of quorum
179	One of the Directors shall be the Chairman of the Board of Directors who shall preside at all meetings of the Board. If at any meeting the Chairman is not present at the time appointed for the meeting then the Directors present shall elect one of them as Chairman who shall preside.	Chairman
180	Subject to provisions of Section 203 of the Companies Act, 2013, and other applicable provisions of law, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have second or casting vote.	Questions at Board meeting how decided
181	A meeting of the Board of 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 which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or are exercisable by the Board of Directors generally.	Powers of Board Meetings
182	The Board of Directors may, subject to the provisions of Section 179 of the Companies Act, 2013, and other relevant provisions of the Act and these Articles, appoint committees of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.	Directors may appoint Committees

183	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	Meeting of the Committee how to be Governed
184	(1) A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under Article 182 shall subject to the provisions of subclause (2) hereof and the Act be as valid and effectual as the resolution duly passed at meeting of, the Directors or of a Committee duly called and held. (2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution, has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than in the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India in accordance with the provisions of Section 175(1) of the Companies Act, 2013, and has been approved by such of the Directors or members of the Committee as are in India or by a majority of such of them as are entitled to vote on the resolution.	Circular Resolution
185	All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.	Acts of Board or Committee valid notwithstanding effect in appointment

POWERS OF THE BOARD

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Subject to the provisions of the Act, the business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in general meeting, subject nevertheless to these Articles to the provisions of the Act, or any other 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 regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made, PROVIDED that the Board shall not, except with the consent of the Company by a special resolution in a general meeting:

Powers of Director

- (i) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
- (ii) remit, or give time for the payment of any debt due by a Director;
- (iii) invest otherwise than in trust securities the amount of compensation received by the Company as a result of a merger or amalgamation;
- (iv) borrow money where the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of the paid up capital of the Company and its free reserves, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business); or,
- (v) Provided that in respect of the matter referred to in sub-clause (iv) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which monies may be borrowed by the Board under clause (iv);
- (vi) Provided further that the expression "temporary loans" in clause (iv) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and the issue of other short term loans of a reasonable character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

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Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolution passed at the meetings of the Board :

Certain powers to be exercised by the Board only at meetings

- (i) to make calls on shareholders in respect of money unpaid on their shares;
- (ii) to authorise buy-back of securities under Section 68 of the Companies Act, 2013;
- (iii) to borrow monies;
- (iv) to invest the funds of the Company;
- (v) to grant loans or give guarantee or provide security in respect of loans;
- (vi) to approve financial statement and the Board's report;
- (vii) to diversify the business of the Company;
- (viii) to approve amalgamation, merger or reconstruction;
- (ix) to take over a Company or acquire a controlling or substantial stake in another Company;
- (x) any other matter which may be prescribed under the Act and the rules made thereunder.

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors, Managing Director or any other principal officer of the Company, or in case of branch office of the Company a principal officer of the branch office, the powers specified in (iii), (iv) and (v) of this sub-clause on such terms as it may specify.

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Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the last preceding Article it is hereby declared that the Directors shall have the following powers that is to say, power:

Certain powers of the Board

- (1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;
- (2) to pay and charge the capital account to the Company any commission or interest, lawfully payable there out under the provisions of Section 40 of the Companies Act, 2013 and other applicable provisions of law;
- (3) subject to Sections 179 and 188 of the Companies Act, 2013, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or maybe advised to be reasonably satisfactory;

- (4) at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages 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 thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (5) to secure the fulfillments of any contracts or engagement entered into by the Company mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;
- (6) to accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (7) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
- (8) to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein;
- (9) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (10) to make and give receipts, release and other discharge for monies payable to the Company and for the claims and demands of the Company;
- (11) subject to the provisions of Sections 179, 180 and 186, of the Companies Act, 2013 and other applicable provisions of law, to invest and deal with any monies of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 187 of the Companies Act, 2013, all investments shall be made and held in the Company's own name;
- (12) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;
- (13) to determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts, and documents and to give the necessary authority for such purpose;

- (14) to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as a part of working expenses of the Company;
- (15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows, and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, as, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the applicable provisions of law to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- (16) before recommending any dividend, subject to the provision of Section 123 of the Companies Act, 2013, to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Companies Act, 2013, to invest these several sums so set aside or so much thereof as required to be invested, upon such investments (other than share of this Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital monies of the Company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit; with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund and/or division of a reserve fund and with full power to employ and assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum;

- (17) to appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and to fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit, and also from time to time to provide for the management and transaction of the affairs of the Company in specified locality in India or elsewhere in such manner as they think fit; and the provision contained in the next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;
- (18) to comply with the requirement of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;
- (19) from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration;
- (20) subject to Section 179 of the Companies Act, 2013, from time to time and at any time to delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow monies; and to authorise the member for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;
- (21) at any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointments may (if the Board thinks fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any Company, or the shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;
- (22) subject to the provisions of the Companies Act, 2013, for or in relation of any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- (23) from time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

COMMITTEES OF BOARD OF DIRECTORS

189	Pursuant to the Applicable Sections of the Companies Act, 2013, Rules framed there under, Listing Agreement, and various SEBI law, rules, regulations, notifications, circulars, etc. published/issued from time to time in this regard, the Board of Directors shall constitute Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stake holders Relationship Committee and such other committees as Board of Directors thinks proper.	Board to constitute committees.

The Committees of Board of Directors shall exercise powers, functions and discharge duties as assign to it pursuant to the Companies Act, 2013, Rules framed there under, Listing Agreement, Secretarial Standards and various SEBI laws, rules, regulations, notifications, circulars etc. issued from time to time in this regard. Apart to statutory duties, functions, the Committees may also discharge the duties, perform functions as assign to it by the Board of Directors of the Company.

MINUTES

190	(1) The Company shall cause minutes of all proceedings of general meetings of any class of shareholders or creditors, and every resolution passed by postal ballator by electronic means and every meeting of the Board of Directors or of every committee of the Board to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered. (2) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. (3) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings. (4) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain: (i) the names of the Directors present at the meeting; and (ii) in the case of each resolution at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution. (5) Nothing contained in clauses (1) to (4) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: (i) is or could reasonably be regarded as defamatory of any person; (ii) is irrelevant or immaterial to the proceedings; or (iii) is detrimental to the interest of the Company.	Minutes to be considered evidence

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

191	The minutes of meeting kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein,	Minutes to be evidence of the proceedings
192	Where the minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with provisions of Section 118 of the Companies Act, 2013, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.	Presumptions to be drawn where minutes duly drawn and signed
193	(1) The books containing the minutes or the proceedings of any general meeting of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Companies Act, 2013, be determined by the Company in general meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.	Inspection of Minutes Books of General Meetings
	(2) Any member of the Company shall be entitled to be furnished within seven working days after he has made a request in that behalf to the Company and on payment of such sums as may be prescribed, with a copy of any minutes referred to in sub-clause (1) hereof.	
194	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Companies Act, 2013 to be contained in the minutes of the proceedings of such meetings.	Publication of report of proceedings of General Meeting

MANAGEMENT

195	The Company shall not appoint or employ at the same time a Managing Director and a Manager.	Prohibition of simultaneous appointment of different categories of managerial personal
196	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 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.	
197	(1) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by it being done by or to the same person acting both as Director and as, or in place of, the chief executive officer, manager, Company secretary or chief financial officer. (2) the Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of any two officials of the Company or such other person, the Board may appoint in that behalf who shall sign every instrument to which the Seal is affixed. Provided	The Seal, its custody and use

that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014, and their statutory modifications for the time being in force.

THE SEAL

198	The Board shall provide for the safe custody of the seal and the Seal shall never be used except by the authority previously given by the Board or a Committee of the Board authorised by the Board in that behalf. Every deed or other instruments to which the seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney signed by two directors or one director as may be provided by the Board/Committee resolution authorizing such affixation and shall be counter signed by the Secretary or some other person appointed by the Board for the purpose. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.	The Seal, its custody and use.

DIVIDENDS/DIVIDEND WARRANTS

199	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company dividends may be declared and paid according to the amounts of the shares. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms provided that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	Division of profits
200	The Company in general meeting may declare dividends, to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	The Company in general meeting may declare dividend
201	(1) No dividend shall be declared or paid by the Company for any financial year except (i) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both; or (ii) out of the monies provided by the Central Government or State government for the payment of dividend in pursuance or guarantee given by the Government.	Dividend out of profits Only

- (2) For the purposes of sub-clause (1), the depreciation shall be provided in accordance with the provisions of Schedule II of the Companies Act, 2013.
- (3) No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.

202	The Board of Directors may from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.	Interim Dividend
203	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted
204	Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.	Capital paid up in advance at interest not to earn dividend
205	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid up
206	The Board of Directors may retain the dividend payable upon shares in respect of which any person under the Transmission Clause has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until in certain cases
207	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member all such sums of monies so due from him to the Company.	No member to receive dividend whilst liberated to the Company and the Company's right of Reimbursement thereof
208	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of Shares
209	Any one of several persons who are registered as joint holders of any share may give effectual receipt for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint Holders
210	The dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend or in case of joint-holders to the registered address of that one of the joint-holders which is first named on the register of members or to such person and to such address as the holder or the joint-holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.	Dividend how remitted

211	Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.	Notice of dividend
212	(1) The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within thirty days from the date of the declaration unless : (i) where the dividend could not be paid by reason of the operation of any law; (ii) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; (iii) where there is a dispute regarding the right to receive the dividend; (iv) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or (v) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company. (2) (i) where the dividend has been declared or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment thereof the Company shall within seven days from the date of expiry or the said period of thirty days transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called “Unpaid Dividend Account of STITCHED TEXTILES LIMITED FOR THE YEAR_____” (ii) The Company shall, within a period of ninety days of making any transfer of an amount under sub clause (i) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed. (iii) If any default is made in transferring the total amount referred to in sub-clause (1) or any part thereof to the Unpaid Dividend Account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall ensure to the benefit of the members of the Company in proportion to the amount remaining unpaid to them. (iv) Any person claiming to be entitled to any money transferred under sub-clause (1) to the Unpaid Dividend Account of the Company may apply to the Company for payment of the money claimed. (iv) any money transferred to the Unpaid Dividend Account of the Company in pursuance of this Article which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund of the Central Government.	Dividend to be paid within thirty days Un-Claim/Un-Paid dividend.

(v) the Company shall when making any transfer to the Investor Education and Protection Fund of the Central Government any unpaid or unclaimed dividend, furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form seeing forth in respect of all sums included in such transfer, the nature of the sums, the names and last known addresses of the persons entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereto and such other particulars as may be prescribed. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;

(vi) No unpaid dividend shall bear interest as against the Company.

No Interest on
Dividends

CAPITALISATION

213	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve : (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distributions; and (ii) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision of act or towards: (i) paying up any amount for the time being unpaid on any shares held by such members respectively; (ii) paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii); (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; (v) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	Capitalisation
214	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall: (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any, and (ii) generally do all acts and things required to give effect thereto.	Fractional Certificates

- (2) The Board shall have full power :
- (i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions and also
 - (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an arrangement 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 to the amounts of any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such members.
- (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificate as they think fit.

ACCOUNTS

215	(1) The Company shall prepare and keep at its registered office proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Companies Act, 2013, as would give a true and fair view of the state of affairs of the Company including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting; Provided that all or any of the books of accounts aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.	Books to be kept

Provided further that the Company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.

- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of sub-clause (1) if proper books of accounts relating to the transactions affected at the branch are kept at that office and proper summarised returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1).

The books of accounts and other books and paper maintained by the Company within India shall be open to inspection at the registered office of the Company or at such other place in India by any Director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any Director subject to such conditions as may be prescribed:

Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.

- (3) The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year, or where the Company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order:

Provided that where an investigation has been ordered in respect of the Company under Chapter XIV of the Companies Act, 2013, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.

216

- (1) The Board of Directors shall in accordance with Section 129, 133 and 134 of the Companies Act, 2013 and the rules made thereunder, cause to be prepared and laid before each annual general meeting, financial statements for the financial year of the Company which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
- (2) The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and comply with the accounting standard notified under Section 133 of the Companies Act, 2013 and shall be in the form set out in Schedule III to the Companies Act, 2013.

Financial
Statements

Provided that the items contained in such financial statements shall be in accordance with the accounting standards.

- (3) In case the Company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-clause (1), prepare a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the Company along with the laying of its financial statement under sub-section (1):

Provided that the Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed:

Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed.

For the purposes of this sub-clause, the word “subsidiary” shall include associate Company and joint venture.

(4)	A copy of financial statements and every other document required by law to be annexed or attached thereto, shall at least twenty one day before the meeting at which the same are to be laid before Members, be sent to Members of the Company, to holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to trustee for the holders of such debentures and to all persons entitled to receive notice of General Meetings of the Company.	Copies of Financial Statements to be sent to each Member

AUDIT

217	Once at least in every year the accounts of the Company shall be audited and the correctness of the financial statements ascertained by one or more Auditor or Auditors.	Account to be audited
218	(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the provisions of Chapter X of the Companies Act, 2013 and the rules made thereunder. (2) Subject to the provisions of Section 139 of the Companies Act, 2013, the Company shall at the first annual general meeting appoint an individual or a firm as an Auditor to hold office from conclusion of that meeting until the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be such as may be prescribed. Provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting; Provided further that before such appointment is made, the written consent of the auditor to such appointment and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor: Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 of the Companies Act, 2013: Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed. “Appointment” includes reappointment.	Appointment of Auditors

DOCUMENTS AND NOTICES

219	(1) A document or notice may be served by the Company on any member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him or by means of such electronic or other mode as may be prescribed. (2) A document or notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.	Service of documents or notices on members by the Company

- (3) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.
- (4) A document or notice may be served by the Company on the person 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 title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (5) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

220	Document or notice of every general meeting shall be served or given in the same manner hereinbefore authorised on or to (i) every member, (ii) every person entitled to a share in consequence of the death or insolvency of a member and (iii) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 93 a statement of material facts referred to in Article 93 need not be annexed to the notice, as is required by that Article, but is shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.	To whom documents must be served or given
221	Every person who by operation of law, transfer or other means whatsoever, has become entitled to any share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or give to the person from whom he derived his title to such share.	Members bound by documents or notices served on or given to previous holders
222	A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed: Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.	Service of documents on Company
223	Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on the Registrar or any member by sending it to him at his office by post or by Registered Post or by speed post or by courier or delivering it to or leaving it for him at his office, or by such electronic or other mode as may be prescribed. Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its annual general meeting. The term "courier" means a person or agency which delivers the document and provides proof of its delivery.	Service of documents by Company on the Registrar
224	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company or contracts made on behalf of the Company may be signed by a Director, any key managerial personnel or other officer of the Company duly authorised by the Board of the Company and need not be under the Common Seal of the Company.	Authentication of documents and proceedings

REGISTERS AND DOCUMENTS

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The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following :

Registers and documents to be maintained by the Company

- (1) Register of Investments made by the Company but not held in its own name, as required by Section 187(3) of the Companies Act, 2013, and shall keep it open for inspection by any member or debenture holder of the Company without charge.
- (2) Register of Mortgages and Charges and copies of instrument creating any charge requiring registration according to Section 85 of the Companies Act, 2013, and shall keep them open for inspection by any creditor or member of the Company without fee and for inspection by any person on payment of a fee of rupee ten for each inspection.
- (3) Register and Index of Members as required by Section 88 of the Companies Act, 2013, and shall keep the same open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of a fee of rupees fifty for each inspection.
- (4) Register and Index of Debenture Holders or Security Holders under Section 88 of the Companies Act, 2013, and keep it open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of rupees fifty for each inspection.
- (5) Foreign Register, if so thought fit, as required by Section 88 of the Companies Act, 2013, and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as may be required in the manner, mutatis mutandis, as is applicable to the Principal Register.
- (6) Register of Contracts with related parties and companies and firms etc. in which Directors are interested as required by Section 189 of the Companies Act, 2013, and shall keep it open for inspection at the registered office of the Company during business hours by any member of the Company. The Company shall provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of fee of ten rupees per page.
- (7) Register of Directors and Key Managerial Personnel etc., as required by Section 170 of the Companies Act, 2013 and shall keep it open for inspection during business hours and the members of the Company shall have a right to take extracts there from and copies thereof, on a request by the members, be provided to them free of cost within thirty days. Such register shall also be kept open for inspection at every annual general meeting of the Company and shall be made accessible to any person attending the meeting.
- (8) Register of Loans, Guarantee, Security and Acquisition made by the Company as required by Section 186(9) of the Companies Act, 2013. The extracts from such register may be furnished to any member of the Company on payment of fees of ten rupees for each page.

- (9) Books recording minutes of all proceedings of general meeting and all proceedings at meetings of its Board of Directors or of Committee of the Board in accordance with the provisions of Section 118 of the Companies Act, 2013.
- (10) Copies of Annual Returns prepared under Section 92 of the Companies Act, 2013, together with the copies of certificates and documents required to be annexed thereto.

Provided that any member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register referred to sub-clause (3), (4) or (5), or the entries therein or the copies of annual returns referred to in sub-clause (10) above on payment of a fee of ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

WINDING UP

226	If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.	Distribution of assets
227	(1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any 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 a Liquidator, with such sanction shall think fit. (2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed) by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 319 of the Companies Act, 2013. (3) In case any shares to be divided as aforesaid involve 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 Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.	Distribution in specie or kind

228	A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said sanction.	Right of shareholders in case of sales

INDEMNITY

229	Subject to provisions of Section 197 of the Companies Act, 2013, every Director, or Officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.	Directors' and others' rights to indemnity

230	Subject to the provisions of Section 197 of the Companies Act, 2013, no Director, Auditor 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 or 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 or on behalf of the Company or for insufficiency or deficiency of any of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damages arising from insolvency or tortuous act of any person, firm or Company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.	Director, Officer not responsible for acts of others

SECRECY CLAUSE

231	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Director, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy and confidentiality in respect of all transactions and affairs of the Company and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.	Secrecy Clause

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No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director; it would be inexpedient in the interest of the Company to disclose.

No member to enter the premises of the Company without permission

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Draft Red Herring Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other Applicable Law.

A. Material Contracts for the Issue

- Issue Agreement dated May 23, 2022 entered into between our Company and the BRLM.
- Registrar Agreement dated April 28, 2022 entered into amongst our Company and the Registrar to the Issue.
- Tripartite Agreement dated March 04, 2022 between our Company, NSDL and the Registrar to the Issue
- Tripartite Agreement dated March 09, 2022 between our Company, CDSL and the Registrar to the Issue
- Escrow and Sponsor Bank Agreement dated [●] amongst our Company the BRLM, Syndicate Member, Escrow Collection Banks, Sponsor Bank and the Registrar to the Issue.
- Syndicate Agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members.
- Underwriting Agreement dated [●] amongst our Company and the Underwriters.

B. Material Documents

- Certified copy of the updated Memorandum of Association and Articles of Association of our Company.
- Certificate of incorporation dated November 02, 2015.
- Certificate of incorporation dated November 11, 2019 consequent upon conversion from one person company to private company.
- Fresh certificate of incorporation dated February 11, 2022 consequent upon conversion from private company to public company.
- Resolution of the Board of Directors dated April 23, 2022, in relation to the Issue.
- Shareholders' resolution dated May 12, 2022, in relation to the Issue.
- Resolution of the Board of Directors dated June 17, 2022 approving this Draft Red Herring Prospectus.
- The examination reports dated May 17, 2022 of the Statutory Auditor, on our Company's Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus.
- Copies of the annual reports of our Company for the Fiscals 2019, 2020 and 2021.

- Statement of Tax Benefits dated May 17, 2022 from the Statutory Auditor included in this Draft Red Herring Prospectus.
- Consent of the Promoters, Chairman & Directors, BRLM, Syndicate Members, Legal Counsel, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer, Chief Financial Officer as referred to in their specific capacities.
- Consent dated May 17, 2022, from the statutory & peer review auditor, M/s. J.S.Maheshwari & Co., Chartered Accountants, to include their name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated May 17, 2022 on the Restated Financial Statements; and (ii) the statement of tax benefits dated May 17, 2022 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus;
- Consent from ITCOT Limited dated June 10, 2022 issued for inclusion of their name and to reproduce the industry report titled “Market Report on Textile and Apparel Industry” dated June 10, 2022 in the Draft Red Herring Prospectus.
- Due Diligence Certificate dated [●] addressed to SEBI from the BRLM.
- In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
- SEBI final observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Name and Designation	Signature
Jaimin Kailash Gupta <i>Managing Director</i>	Sd/-
Kresha Kailash Gupta <i>Non-Executive Director</i>	Sd/-
Yesha Aagam Shah <i>Independent Director</i>	Sd/-
Rushabh Anilkumar Shah <i>Independent Director</i>	Sd/-
Premaram Jaitaram Patel <i>Independent Director</i>	Sd/-

SIGNED BY THE KEY MANAGERIAL PERSONNEL OF THE COMPANY

Name and Designation	Signature
Dharmesh Tripathi <i>Chief Financial Officer</i>	Sd/-
Shivani Pathak <i>Company Secretary and Compliance Officer</i>	Sd/-

Date: June 17, 2022

Place: Ahmedabad