



**BARCELONA**  
**STITCHED TEXTILES LIMITED**  
**CIN: U17120GJ2015PLC084962**

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Registered & Corporate Office		Contact Person	Email and Telephone	Website
1 <sup>st</sup> Floor, Barcelona House, B/S.Star House. Opp-Shell Pump Road, Prahladnagar, Satellite Ahmedabad – 380015, Gujarat, India		<b>Ms. Shivani Pathak,</b> Company Secretary & Compliance Officer	<b>Email ID:</b> cs@barcelonaclub.in <b>Tel No:</b> +91 97271 23838	<a href="http://www.barcelonaclub.in">www.barcelonaclub.in</a>
<b>NAME OF PROMOTER OF THE COMPANY</b>				
MR. JAIMIN KAILASH GUPTA				
<b>DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS</b>				
TYPE	FRESH ISSUE SIZE (IN RUPEES LAKHS)	OFS SIZE (IN RUPEES LAKHS)	TOTAL ISSUE SIZE (IN RUPEES LAKHS)	ELIGIBILITY
FRESH ISSUE	4840	NIL	4840	THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED
<b>Initial Public Offer of 2,20,00,000 Equity Shares of Rs. 1 Each (“Equity Shares”) Aggregating To Rs. 4840.00 Lakhs (“The Issue”)</b>				
<b>This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations and in terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company.</b>				
<b>Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders:</b> - NIL -				
<b>RISK IN RELATION TO THE FIRST ISSUE</b>				
This being the first Issue of Equity Shares of Stitched Textiles Limited, there has been no formal market for the Equity Shares of the Company. <b>The face value of the Equity Shares is Rs. 1</b> and Issue price of Rs. 22 is <b>22</b> times of the face value. The Issue price (as determined and justified by the Company in consultation with Lead Manager as stated in Chapter titled “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 and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.				
<b>GENERAL RISK</b>				

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 Prospectus. Specific attention of the investors is invited to the section “**Risk Factors**” beginning on page 25 of this Draft Prospectus.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares Issued through this Draft Prospectus are proposed to be listed on SME platform of the BSE Limited (“BSE SME”). Our Company has received an in-principle approval letter dated [●] from BSE for using its name in the Issue document for listing of our shares on the BSE SME. For the purpose of the Issue, the Designated Stock Exchange shall be the BSE Limited.

#### LEAD MANAGER TO THE ISSUE

#### REGISTRAR TO THE ISSUE



#### TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi-110058

**Contact Person:** Mr. Garvit Bhola

**Telephone:** 011-45510390

**Email:** [info@tcagroup.in](mailto:info@tcagroup.in)



#### BIGSHARE SERVICES PRIVATE LIMITED

Office No S6-2, 6<sup>th</sup> 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](mailto:ipo@bigshareonline.com)

#### ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

Our Company was originally incorporated as “*Stitched Textiles (OPC) Private Limited*”, a One Person Company on November 02, 2015 vide a Certificate of Incorporation bearing Corporate Identity No. U17120GJ2015OPC084962 under the provisions of Companies Act, 2013 issued by the Assistant Registrar of Companies, Gujarat. 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 Prospectus.

**Registered office:** 1<sup>st</sup> 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 2,20,00,000 EQUITY SHARES OF FACE VALUE RS. 1/- EACH (“EQUITY SHARES”) OF STITCHED TEXTILES LIMITED (“THE COMPANY”) FOR CASH AT A PRICE OF RS. 22 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 21 PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING Rs. 4840 LAKH (“ISSUE”) OF WHICH 11,00,000 EQUITY SHARES OF FACE VALUE OF RUPEES 1/- EACH FOR CASH A PRICE OF RUPEES 22 PER EQUITY SHARE AGGREGATING TO RUPEES 242 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (“THE MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 2,09,00,000 EQUITY SHARES OF FACE VALUE OF RUPEES 1/- EACH FOR CASH A PRICE OF RUPEES 22 PER EQUITY SHARE AGGREGATING TO RUPEES 4598 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.27% AND 25.34% RESPECTIVELY OF THE FULLY DILUTED POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 1 EACH AND THE ISSUE PRICE OF RS. 22 IS 2.50 (TWENTY TWO) TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

IN TERMS OF RULE 19(2)(B)(I) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE “SCRR”), THIS ISSUE IS BEING MADE FOR AT LEAST 25% OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. THIS ISSUE IS BEING MADE THROUGH FIXED PRICE PROCESS IN ACCORDANCE AND IN COMPLIANCE WITH CHAPTER IX AND OTHER APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED FROM TIME TO TIME (“SEBI (ICDR) REGULATIONS, 2018”), WHEREIN A MINIMUM 50% OF THE NET ISSUE IS ALLOCATED FOR RETAIL INDIVIDUAL APPLICANTS AND THE BALANCE SHALL BE OFFERED TO INDIVIDUAL APPLICANTS OTHER THAN RETAIL INDIVIDUAL APPLICANTS AND OTHER INVESTORS INCLUDING CORPORATE BODIES OR INSTITUTIONS, QIBS AND NON-INSTITUTIONAL APPLICANTS. HOWEVER, IF THE AGGREGATE DEMAND FROM THE RETAIL INDIVIDUAL APPLICANTS IS LESS THAN 50%, THEN THE BALANCE EQUITY SHARES IN THAT PORTION WILL BE ADDED TO THE NON-RETAIL PORTION OFFERED TO THE REMAINING INVESTORS INCLUDING QIBS AND NIIS AND VICE-VERSA SUBJECT TO VALID APPLICATIONS BEING RECEIVED FROM THEM AT OR ABOVE THE ISSUE PRICE. ADDITIONALLY, IF THE RETAIL INDIVIDUAL APPLICANTS CATEGORY IS ENTITLED TO MORE THAN FIFTY PER CENT ON PROPORTIONATE BASIS, THE RETAIL INDIVIDUAL APPLICANTS SHALL BE ALLOCATED THAT HIGHER PERCENTAGE. For further details please refer the section titled “Issue Information” beginning on page 282.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Issue of Equity Shares of Stitched Textiles Limited, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 1 and Issue price of Rs. 22 is 22 times of the face value. The Issue price (as determined and justified by the Company in consultation with Lead Manager as stated in Chapter titled “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 and/or sustained trading in the Equity Shares of the Company 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 Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” on page 25 of this Draft Prospectus.

### COMPANY’S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares Issued through this Draft Prospectus are proposed to be listed on SME platform of the BSE Limited (“BSE SME”). Our Company has received an in-principle approval letter dated [●] from BSE for using its name in the Issue document for listing of our shares on the BSE SME. For the purpose of the Issue, the Designated Stock Exchange shall be the BSE Limited.

### BOOK RUNNING LEAD MANAGER TO THE ISSUE



**TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED**

714, Vishwadeep Building, Plot No. 4, District Centre,

Janakpuri, New Delhi- 110058

**Telephone:** 011-45510390

**Email:** info@tcagroup.in

**Contact Person:** Mr. Garvit Bhola

**Website:** [www.tcagroup.in](http://www.tcagroup.in)

**Investor Grievance Email:** complaints@tcagroup.in

**SEBI Registration No:** MB/INM000012290

### REGISTRAR TO THE ISSUE



**BIGSHARE SERVICES PRIVATE LIMITED**

Office No S6-2, 6<sup>th</sup> 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](mailto:ipo@bigshareonline.com);

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

**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com);

**SEBI Registration No:** INR000001385

### ISSUE PROGRAMME

**ISSUE OPENS ON:** [●]

**ISSUE CLOSES ON:** [●]

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise 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 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 <sup>st</sup> 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 Rs. 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

<b>Term</b>	<b>Description</b>
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 <sup>st</sup> 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

<b>Term</b>	<b>Description</b>
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.

<b>Term</b>	<b>Description</b>
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 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 “ <i>Issue Procedure</i> ” 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 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/ 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.

<b>Term</b>	<b>Description</b>
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	<p>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.</p> <p>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.</p>
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the 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 Turnaround Corporate Advisors Private Limited
Broker Centers	<p>Broker centers notified by the Stock Exchanges, where Bidders can submit the ASBA Forms to a Registered Broker.</p> <p>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 (<a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>) and are updated from time to time.</p>
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 ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
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 <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> .
Cut-off Price	<p>The Issue Price, will be finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band.</p> <p>Only Retail Individual Bidders (subject to the Bid Amount being up to Rs. 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.</p>
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	<p>Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms.</p> <p>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. (<a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>).</p>
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 ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), 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 <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Draft Prospectus/ DRHP	This Draft Prospectus dated September 30, 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 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.

<b>Term</b>	<b>Description</b>
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 Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the 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 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 2,20,00,000 Equity Shares for cash at a price of Rs. 22 per Equity Share (including a premium of Rs. 21 per Equity Shares), aggregating up to Rs. 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.
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 Rs. 200,000 (but not including NRIs other than Eligible NRIs).
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 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.

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 [●].
Qualified Institutional Buyers/QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/RHP	<p>The 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.</p> <p>The 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.</p>
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

<b>Term</b>	<b>Description</b>
Retail Individual Bidders(s)/RIB(s)	Resident Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than Rs. 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta) and Eligible NRIs.
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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , 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 <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> 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 <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> 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 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, [●].
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.

<b>Term</b>	<b>Description</b>
	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

<b>Term</b>	<b>Description</b>
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.

<b>Term</b>	<b>Description</b>
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 Rs. or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering

<b>Term</b>	<b>Description</b>
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

<b>Term</b>	<b>Description</b>
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

<b>Term</b>	<b>Description</b>
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 <sup>2</sup>	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



<b>Term</b>	<b>Description</b>
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 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 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 Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

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

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft 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 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 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 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 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 Prospectus, and elsewhere in this Draft 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 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 Prospectus.

## Currency and Units of Presentation

All references to:

- 1 “Rupees” or “Rs.” or “INR” or “Rs.” 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 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 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 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 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 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 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 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 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 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 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 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 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 a 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 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 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 Prospectus.

**D. Issue**

Initial public offering of upto 2,20,00,000 equity shares for cash at a price of ₹ 22/- per equity share (including a securities premium of ₹ 21/- per equity share) (the “issue price”), aggregating upto ₹ 4840.00 lakhs.

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

**E. Object of the Issue**

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





**BARCELONA**

Estimated Amount\*

(₹ in lakh)

**Particulars**

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WorkingCapitalRequirements	3600.00
GeneralCorporatePurposes	1150.00
IssueRelatedExpenses	90.00
<b>Total</b>	<b>4840.00</b>

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 68 of this Draft 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
<b>Promoters</b>		
Jaimin Kailash Gupta	4,91,88,670	81.32%
<b>Promoter Group</b>		
Nil	-	-
<b>Total Promoters &amp; Promoters Group</b>	<b>4,91,88,670</b>	<b>81.32%</b>

For further details, please see chapter titled “*Capital Structure*” on page 58 of this Draft 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 period ended March 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	757.26	213.47	2.61	2.08
Revenue from Operation	10,795.82	1232.89	680.76	303.92
Profit after Tax	<b>63.91</b>	30.36	0.47	0.46
Earnings per share* (In ₹)	0.15	25.04	4.67	4.63
<b>Earnings per share^ (In ₹)</b>	<b>0.24</b>	2.50	0.47	0.46
Net Asset Value Per Equity Share* (In ₹)	1.25	46.28	26.09	20.77
<b>Net Asset Value Per Equity Share^ (In ₹)</b>		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 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 Out standing 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
<b>1.</b>	<b>Filed against the Company</b>		
	<i>Direct Tax</i>	-	-
<b>2.</b>	<b>Filed against our Directors</b>		
	<i>Civil/Criminal Cases</i>	-	-
	<i>Direct Tax</i>	-	-
<b>3.</b>	<b>Filed by our Directors</b>	1	Not quantifiable
<b>4.</b>	<b>Filed against our Group Entities</b>		
	<i>Civil Cases</i>	1	Not quantifiable
	<i>Direct Tax</i>	1	3,10,26,488

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

**J. Risk Factors**

Please see the chapter titled “*Risk Factors*” beginning on page 25 of this Draft 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:

Particulars	March 31 2022		March 31, 2021		March 31, 2020	
	Amount	%	Amount	%	Amount	%
Purchase of Goods	399.04	3.70	601.45	48.78	620.19	91.10
Sale of Goods	4240.16	39.28	677.88	54.98	576.41	84.67
Advances Given	134.12	1.24	581.99	47.21	443.04	65.08
Advances Received	100.76	0.93	263.47	21.37	528.66	77.66
Outstanding Trade Receivables	2794.86	25.89	233.70	18.96	32.98	4.84
Outstanding Loans/Advances	5.85	0.05	8.30	0.67	-	-
Outstanding Loan (Liability)	-	-	1.50	0.12	76.17	11.19
Outstanding Trade Payable	0.27	0.003	12.10	0.98	12.99	1.91

For further details please refer “*Restated Consolidated Financial Information—Related Party Transactions*” beginning at page 194 of this Draft 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 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 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/-  
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 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 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 Prospectus. For further details, please refer to chapter titled - "Capital Structure" on page 58 of this Draft Prospectus.

## 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 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 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 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 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 2020, 2021, and March 31, 2022, included herein is based on our Restated Consolidated Financial Statements included in this Draft 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*



**BARCELONA**

*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 FACTORS:**

- 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 (“Bank”) in May, 2014 for an amount of Rs. 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 the Review Committee of the Bank.

The name of our Promoter (along with three others, including the said company) was reflecting in the wilful defaulters list published till 31.03.2022 for an amount outstanding of Rs. 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 its 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 Rs. 89.22 lakh approx. in the name of his proprietorship firm M/s. Hillary Fashion from the Bank of Baroda (“Bank”) in the year 2015. He had 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 Prospectus.





In case, the Bank chooses to initiate legal action for the recovery of such loan which could have an adverse effect on the reputation and financial position of the promoter and the issuer company in the future.

**3. *Withdrawal of the Draft Red Herring Prospectus filed with SEBI, BSE and NSE***

We had filed a Draft Red Herring Prospectus dated June 17, 2022 for our proposed Initial Public Offer on the Main Board of BSE and NSE.

However, on August 16, 2022, due to internal decision of the management, keeping the market conditions prevalent at that point of time in consideration, our Company, in consultation with the previous BRLM, M/s Finshore Management Services Limited had withdrawn its Draft Red Herring Prospectus dated June 17, 2022.

There can be no assurance that we will be able to successfully secure the in-principle approval for the current Draft Prospectus from BSE.

**4. *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:

*Rs. in Lakhs*

Particulars	March 31 2022		March 31, 2021		March 31, 2020	
	Amount	%	Amount	%	Amount	%
Purchase of Goods	399.04	3.70	601.45	48.78	620.19	91.10
Sale of Goods	4240.16	39.28	677.88	54.98	576.41	84.67
Advances Given	134.12	1.24	581.99	47.21	443.04	65.08
Advances Received	100.76	0.93	263.47	21.37	528.66	77.66
Outstanding Trade Receivables	2794.86	25.89	233.70	18.96	32.98	4.84
Outstanding Loans/Advances	5.85	0.05	8.30	0.67	-	-
Outstanding Loan (Liability)	-	-	1.50	0.12	76.17	11.19
Outstanding Trade Payable	0.27	0.003	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" of Restated Consolidated Financial Information under chapter titled "Restated Financial Information" beginning on page 194.



5. ***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 the 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.

6. ***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.

7. ***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.


8. ***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. Further, the supply of raw materials and fabric may be impacted by force majeure events like war, epidemics, natural calamities, fires, floods, strikes (excluding strikes by its vendor's employees), acts/omissions of State, insurrection or riots, embargoes or delays in transportation, Court or Government Orders, etc, which can restrict/prevent the movement of vehicles and the general public, thereby leading to short supply or absence of the supply of raw materials and fabric.

However, given the vast network of contract manufacturers, we may be confident of identifying alternates both within and outside of the geographic locations that we operate from.

9. ***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 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.***

10. ***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.

***11. 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 May 31, 2022, our Company had 80 Exclusive Brand Outlets out of which 54 Outlets are operated under Franchisee Owned Franchisee Operated Stores (FOFO) model.

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 54 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.

***12. 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.

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

During Fiscal 2020, Fiscal 2021 and Fiscal 2022, our top 5 (five) suppliers contributed Rs. 664.62 lakh, Rs. 746.61 lakh and Rs. 9725.73 lakh comprising of 60.80%, 92.40%, 59.00% and 86.97% respectively, of our total purchases Fabrics, Garments and Accessories etc.

Purchase of Fabrics from Related parties contributed Rs. 620.19 lakh, Rs. 601.45 lakh and Rs. 399.04 lakh comprising of 86.26%, 47.53% and 3.57% of total purchase, during Fiscal 2020, Fiscal 2021 and Fiscal 2022 respectively. The purchase from related entities is done for the purpose of easy availability of materials at a 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.

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

During Fiscal 2020, Fiscal 2021 and Fiscal 2022, our top 5 (five) customers contributed Rs.615.85 lakh, Rs. 944.95 lakh and Rs. 6799.18 lakh comprising of 90.46%, 76.65% and 62.98%, respectively, of our total revenue from operations.

Sales to Related parties contributed Rs.576.41lakh, Rs.677.78 lakh and 4240.16 lakh comprising of 84.67%, 54.98% and 39.28% of our total turnover during Fiscal 2020, Fiscal 2021 and Fiscal 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.

**15. 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.

**16. *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.

**17. *Certain sections of this Draft 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 Prospectus include information based on, or derived from, the reports titled “*Market Report on Textile and Apparel Industry*”, dated June 2022 and released by ITCOT Limited prepared exclusively for the Offer and commissioned and paid by our Company in connection with the Offer. 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 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.

**18. *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.

**19. *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:

<b>Brand</b>	<b>Product Portfolio</b>
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 <sup>#</sup> , kids wear <sup>#</sup>
Tridhya**	Leggings, Kurtis, tops, shirts, denims, pallazo, dresses and such other women’s wear

\* yet to start business operations under this brand name

\*\* has recently 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 mis-judgement 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.

***20. 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.

***21. 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:

<b>Sr No.</b>	<b>Outstanding Litigation</b>	<b>Number of Matter</b>	<b>Financial Implications to the Extent Quantifiable In INR</b>
<b>1.</b>	<b>Filed against the Company</b>		
	<i>Direct Tax</i>	-	Nil-
<b>2.</b>	<b>Filed against our Directors</b>		
	<i>Civil/Criminal Cases</i>	-	Nil
	<i>Direct Tax</i>	-	Nil
<b>3.</b>	<b>Filed by our Directors</b>	1	Not quantifiable
<b>4</b>	<b>Filed by our Promoters</b>	1	Not quantifiable
<b>5</b>	<b>Filed against our Group Entities</b>		
<b>6</b>	<i>Civil Cases</i>	1	3,10,26,488
<b>.</b>	<b>Total</b>		

*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.

**22. 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.

23. ***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 80 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.

***24. 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.

***25. 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.

**26. *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.

**27. *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.

**28. *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.

**29. 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.

**30. 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.

**31. 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	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net Cash from/ (used in) Operating activities	(265.64)	13.93	(34.38)



Net Cash from/ (used in) Investing Activities	(194.80)	(787.32)	59.04
Net cash from/ (used in) Financing Activities	1,010.15	744.48	(1.37)
Net Increase/ (Decrease) in cash & cash equivalents	549.42	(28.91)	23.29
Cash & cash equivalents at the end of the period/year	562.34	12.92	41.83

**32. *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 Rs. 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 Prospectus.

**33. *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 (Rs.)	Issue Price (In Rs.)	Consideration	Reason for Allotment
December 14, 2021	1,88,587	10/-	150/-	Cash	Rights Issue
December 23, 2021	1,02,400	10/-	150/-	Cash	Rights Issue
December 31, 2021	52,42,158	10/-	Nil	N. A.	Bonus Issue

Further, the face value of our equity shares has been sub divided from Face value of Rs. 10/- each to Face Value of Rs. 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 Prospectus.

**34. *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.

**35. *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.

***36. 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.

***37. 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.

***38. 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.

***39. 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.

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

Our Company had availed certain unsecured loans and may continue to do so in future that are callable 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 Prospectus.

***41. 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.

***42. 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 73 % 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.

***43. 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.

***44. 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.

***45. 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.

***46. 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.

***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 Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

***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 Prospectus:

<b>Details of Equity Shares offered:</b>	
Public Issue	2,20,00,000 Equity Shares Rs. 1 each for cash at a price of Rs. 22 per Equity Share (including a share premium of Rs. 21 per Equity Share), aggregating Rs. 4840.00 Lakhs.
<b>Of Which</b>	
A) Reserved for the Market Makers	11,00,000 Equity Shares of Rs. 1 each for cash at a price of Rs. 22 per Equity Share (including a share premium of Rs. 21 per Equity Share), aggregating Rs. 242 Lakh.
B) Net Issue to the Public	2,09,00,000 Equity Shares of Rs. 1 each for cash at a price of Rs. 22 per Equity Share (including a share premium of Rs. 21 per Equity Share), aggregating Rs. 4598 Lakh.
<b>Of Which</b>	
For Retail Individual Investors	Minimum of 10450000 Equity Shares of Rs. 1 each for cash at a price of Rs. 22 per Equity Share (including a share premium of Rs. 21 per Equity Share), aggregating Rs. 2299 Lakh
For Individual applicants other than retail individual investors; and Other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for.	10450000 Equity Shares of Rs. 1 each for cash at a price of Rs. 22 per Equity Share (including a share premium of Rs. 21 per Equity Share), aggregating Rs. 2299 Lakh
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	6,04,86,440 Equity Shares of face value of Rs.1/- each
Equity Shares outstanding after the Issue	8,24,86,440 Equity Shares of face value of Rs.10/- each
<b>Use of Issue proceeds</b>	
See the Chapter titled “ <b>Objects of the Issue</b> ” on page 68 of this Draft Prospectus for information about the use of the Issue Proceeds.	

**Notes:**

1. This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations through the Fixed Price method and hence, as per of Regulation 253(2), of SEBI ICDR Regulations, the allocation of Net Issue to the public category shall be made as follows:
  - (a) minimum fifty per cent to retail individual investors; and
  - (b) remaining to:
    - i. individual applicants other than retail individual investors; and
    - ii. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

*If the retail individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.*

*2. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account or UPI linked account number held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.*

*3. Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*

*SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*



**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.

<b>ANNEXURE -I</b>					
<b>STATEMENT OF ASSETS &amp; LIABILITIES, AS RESTATED</b>					
( Rs. In Lakhs)					
	<b>Particulars</b>	<b>Notes</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>1 Shareholders’ funds</b>				
	(a) Share capital	<b>I.1</b>	604.86	46.12	1.00
	(b) Reserves and surplus	<b>I.2</b>	152.39	167.34	1.62
			<b>757.26</b>	<b>213.47</b>	<b>2.62</b>
	<b>2 Non - current Liabilities</b>				
	(a) Other Long term liabilities	<b>I.3</b>	658.75	303.95	-
	(b) Deferred tax liabilities (Net)	<b>I.4</b>	1.45	-	-
			<b>660.20</b>	<b>303.95</b>	-
	<b>3 Current liabilities</b>				
	(a) Short Term Borrowings	<b>I.5</b>	471.96	267.49	4.20
	(b) Trade payables	<b>I.6</b>			
	i) Total outstanding dues of MSME		63.96	-	87.15
	ii) Total outstanding dues of other than MSME		7,909.95	846.35	358.23
	(c) Other Current Liabilities	<b>I.7</b>	58.38	382.94	140.44
	(d) Short-term provisions	<b>I.8</b>	21.97	10.89	4.63
			<b>8,526.22</b>	<b>1,507.68</b>	<b>594.65</b>
	<b>TOTAL</b>		<b>9,943.67</b>	<b>2,025.09</b>	<b>597.26</b>
<b>II.</b>	<b>ASSETS</b>				
	<b>1 Non-current assets</b>				
	(a) Property, Plant and Equipment & Intangible Assets	<b>I.9</b>			
	(i) Property, Plant and Equipment		98.16	8.90	5.40
	(ii) Intangible Assets		16.91	-	-
	(b) Non-current Investment	<b>I.10</b>	47.27	45.00	0.50
	(e) Deferred Tax Assets	<b>I.11</b>	-	0.52	0.48
	(c) Long Term Loan & Advances	<b>I.12</b>	11.74	4.28	1.23
	(d) Other non-current assets		-	-	-
			<b>174.08</b>	<b>58.69</b>	<b>7.62</b>
	<b>2 Current assets</b>				
	(a) Inventories	<b>I.13</b>	1,906.57	379.38	210.50
	(b) Trade Receivable	<b>I.14</b>	5,951.01	400.50	153.15
	(c) Cash and cash equivalents	<b>I.15</b>	562.34	12.91	41.83
	(d) Short Term Loan & Advances	<b>I.16</b>	1,059.23	932.08	24.97
	(e) Other Current Assets	<b>I.17</b>	290.44	241.52	159.20
			<b>9,769.59</b>	<b>1,966.39</b>	<b>589.64</b>
	<b>TOTAL</b>		<b>9,943.67</b>	<b>2,025.09</b>	<b>597.26</b>
Significant Accounting policies and Notes to Accounts forming an integral part of the Balance Sheet					

<b>ANNEXURE -II</b>					
<b>STATEMENT OF PROFIT &amp; LOSS, AS RESTATED</b>					
(Rs. In Lakhs)					
	<b>Particulars</b>	<b>Notes</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
I	Revenue from operations	<b>II.1</b>	10,795.82	1,232.89	680.76
II.	Other Income	<b>II.2</b>	52.04	36.92	0.40
<b>III.</b>	<b>Total Income ( I + II )</b>		<b>10,847.86</b>	<b>1,269.81</b>	<b>681.16</b>
<b>IV.</b>	<b>Expenses:</b>				
	Cost of Material Consumed		-	-	-
	Purchases of Stock-in-Trade	<b>II.3</b>	11,171.83	1,265.52	718.94
	Changes in inventories of Finished Goods	<b>II.4</b>	(1,527.19)	(168.88)	(118.91)
	Employee Benefit Expenses	<b>II.5</b>	291.38	36.80	37.03
	Finance Cost	<b>II.6</b>	29.01	3.26	1.37
	Depreciation & Amortisation	<b>I.9</b>	3.79	1.50	1.81
	Other Expenses	<b>II.7</b>	790.33	89.85	40.19
	<b>Total expenses</b>		<b>10,759.16</b>	<b>1,228.07</b>	<b>680.44</b>
	<b>Profit before tax and share of Net Profit (III - IV)</b>				
<b>V.</b>			88.71	41.74	0.72
<b>VI.</b>	Share of Profit (Loss) from Associate		0.15	(0.50)	-
<b>VII.</b>	<b>Profit before tax (V - VI)</b>		<b>88.86</b>	<b>41.24</b>	<b>0.72</b>
<b>VIII.</b>	Tax expense:				
	Current tax		22.98	10.89	0.36
	.Deferred Tax		1.96	(0.04)	(0.11)
	Previous year Tax		-	0.03	-
<b>IX.</b>	<b>Profit (Loss) for the period ( VII - VIII)</b>		<b>63.91</b>	<b>30.36</b>	<b>0.47</b>
<b>X</b>	Earnings per equity share:	<b>II.8</b>			
	(1) Basic / Diluted ( Weighted Average Per Share)		0.15	25.04	4.70
	No. of Equity Outstanding at the year end		6,04,86,440	4,61,249	10,000
	Weighted Average No. of Equity Shares outstanding at the year end		4,27,25,475	1,21,267	10,000
Significant Accounting policies and Notes to Accounts forming an integral part of the Balance Sheet		<b>"1"</b>			

<b>ANNEXURE -III</b>			
<b>STATEMENT OF CASH FLOW, AS RESTATED</b>			
( Rs. In Lakhs)			
<b>PARTICULARS</b>	<b>For the year ended</b>		
	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax as per Profit & Loss A/c	88.86	41.24	0.72
Adjusted for :			
a. Depreciation	3.79	1.50	1.81
b. Interest Expenses & Finance Cost	29.01	3.26	1.37
c. Interest & Other Income	(52.04)	(13.65)	-
d. Loss From Associate Company	-	0.50	-
e. Other Adjustment			0.06
<b>Operating profit before working capital changes</b>	<b>69.62</b>	<b>32.87</b>	<b>3.96</b>
Adjusted for :			
a. Decrease /(Increase) in Inventories	(1,527.19)	(168.88)	(118.91)
b. Decrease / ( Increase ) in trade receivable	(5,550.52)	(247.35)	(69.58)
c. Decrease / ( Increase ) in Current Investments	-	-	-
d. Decrease / ( Increase ) in Other Current Assets	(48.92)	(241.52)	(159.20)
e. Increase / ( Decrease ) in Trade Payables	7,127.56	400.96	229.08
f. Increase / (Decrease) in short term provisions	11.08	7.26	(0.07)
g. Increase / ( Decrease ) in other current liabilities	(324.56)	241.51	80.69
	-	-	-
<b>Cash generated from operations</b>			
Net Income Tax (Paid)/Refund	(22.98)	(10.92)	(0.36)
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(265.92)</b>	<b>13.93</b>	<b>(34.38)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITES</b>			
a. (Purchase) Sale of Fixed Assets	(109.97)	(5.00)	(0.84)
b. ( Purchase ) / Sale of non-current investment	(2.27)	(45.00)	(0.50)
c. ( Increase ) / Decrease in Long term loans and advances	(7.46)	(3.05)	1.37
d. ( Increase ) / Decrease in Short term loans and advances	(127.15)	(747.92)	59.01
e. Increase / ( Decrease ) in Long Term Provisions	-	-	-
f. Interest & Other Income	52.04	13.65	-
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(194.80)</b>	<b>(787.32)</b>	<b>59.04</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>			
a. Interest & Finance Cost	(29.01)	(3.26)	(1.37)
b. Proceeds from share issued	34.52	45.12	-
c. Proceeds from share Premium	445.36	135.37	-
d. ( Repayments ) / proceeds of long term borrowings	-	-	-
e. ( Repayments ) / proceeds of short term borrowings	204.47	263.29	-
f. ( Repayments ) / Other Long term lliabilities	354.81	303.95	-
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>1,010.15</b>	<b>744.48</b>	<b>(1.37)</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	<b>549.42</b>	<b>(28.91)</b>	<b>23.29</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12.91</b>	<b>41.83</b>	<b>18.55</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>562.34</b>	<b>12.92</b>	<b>41.83</b>
<b>Cash and cash equivalents at the end of the year</b>			
Cash in hand	176.18	12.57	36.96
Balance with Bank			
- In current accounts	386.16	0.34	4.88
- In Deposit accounts	-	-	-
<b>Total</b>	<b>562.34</b>	<b>12.91</b>	<b>41.83</b>
Notes:			
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year			

## GENERAL INFORMATION

Our Company was originally incorporated as “*Stitched Textiles (OPC) Private Limited*”, a One Person Company on November 02, 2015 vide a Certificate of Incorporation bearing Corporate Identity No. U17120GJ2015OPC084962 under the provisions of Companies Act, 2013 issued by Deputy Registrar of Companies, Gujarat. 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

1<sup>st</sup> 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 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

### Changes in the Registered Office since incorporation

At the time of incorporation, the registered office of our Company was situated at 21, D-B-Block, Galaxy Towers, Opp. Century, Nr. Judges Bunglow, Bodakdev, Ahmedabad - 380054.

Following are the changes in the registered office of our Company since incorporation:

Date of Change	Details	
	From	To
August 16, 2019	21, D-B-Block, Galaxy Towers, Opp. Century, Nr. Judges Bunglow, Bodakdev,	406, Addor Aspire Co. Comm. Ser. Soc. Ltd., Nr. Jahanvee Restaurant, Panjrapole Road, Ahmedabad–

	Ahmedabad - 380054.	380015
November 20, 2021	406, Addor Aspire Co. Comm. Ser. Soc. Ltd., Nr. Jahanvee Restaurant, Panjrapole Road, Ahmedabad- 380015	1202, Addor Aspire, Nr. Jahanvee Road, University to Panjrapole Road, Ahmedabad – 380015
June 01, 2022	1202, Addor Aspire, Nr. Jahanvee Road, University to Panjrapole Road, Ahmedabad – 380015	1st Floor, Barcelona House, B/S. Star House. Opp-Shell Pump Road, Prahladnagar, Satellite, Ahmedabad – 380015, Gujarat, 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 Prospectus:

Name	Designation	DIN	Address
Jaimin Kailash Gupta	Managing Director	06833388	28, Sahjanand Palace, Taltej, Behind Sindhubhavan, Ahmedabad – 380054, Gujarat
Chetan Ojha	Non-Executive Director	09706197	E/202, Purushottam nagar, pink city, Ranip, 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:

1<sup>st</sup> 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 LEAD MANAGER 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.**

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post- Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary accounts or unblocking of ASBA accounts etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to relevant SCSB to whom the application was submitted, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA bank account number and the designated branch of the relevant SCSBs to whom the Application form was submitted by the Applicants.

### **CHIEF FINANCIAL OFFICER**

**DharmeshTripathi**

1<sup>st</sup> 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:** dharmesh@barcelonaclub.in

### **LEGAL ADVISOR TO THE ISSUE**

**Ms. Anu Sapra**

Address: X-19, Civil Side, Tis Hazari Courts, Delhi  
Tel: +91-9213729140;  
Email: anusapra67@gmail.com;

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

### **Lead Manager**

#### **Turnaround Corporate Advisors Private Limited**

Address: 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi- 110058  
Tel: +91-11-45510390  
E-mail: info@tcagroup.in  
Investor Grievance Email: complaints@tcagroup.in  
Website: www.tcagroup.in  
Contact Person: Mr. Garvit Bhola  
SEBI Registration No.: MB/INM000012290

## **Registrar to the Issue**

### **Bigshare Services Private Limited**

Office No S6-2, 6<sup>th</sup> 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](mailto:ipo@bigshareonline.com);

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

**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com);

**SEBI Registration No:** INR000001385

**CIN No:** U99999MH1994PTC076534

## **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](mailto:jsmcaahdi@gmail.com)

**Contact Person:** Mr. Dilip Maliwal

**Membership No.:** 148387

**Firm Registration No.:** 001318C

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

## **BANKERS TO THE ISSUE AND SPONSOR BANK**

[•]

## **REFUND BANK**

[•]

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

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

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

## **SELF-CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

## **REGISTERED BROKERS**

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## **REGISTRAR AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. 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](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

## **NOMINATED INVESTOR**

There are no Nominated Investors for this issue.

## **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.

### **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 September 05, 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 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 September 05, 2022 on our restated consolidated financial information; and (ii) its report dated September 05, 2022 on the statement of special tax benefits in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

### **Inter-se Allocation of Responsibilities**

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

### **Filing**

A copy of this Draft Prospectus dated September 30, 2022 shall be submitted to SEBI by way of an e-mail at [cfddil@sebi.gov.in](mailto: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 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 Prospectus.

<b>Particulars</b>	<b>Date of Change</b>	<b>Reason for Change</b>
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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
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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

### Underwriters

Our Company and the LM to the Issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated [●] Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriter	Indicative Number of Equity Shares Underwritten*	Amount Underwritten (Rs.in Lakhs)	% of the Net Issue size Underwritten
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
<b>Total</b>	<b>2,20,00,000</b>	<b>4840.00</b>	<b>100%</b>

\*Includes 11,00,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI (ICDR) Regulations 2018.

In the opinion of our Board of Directors of the Company, the resources of the above-mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full.

### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform Stock Exchange on



which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

### **Market Maker**

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

[●]

[●] is registered with BSE SME as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the trading hours in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of BSE Limited and SEBI from time to time. The Market Maker spread (i.e., the difference between the buy and the sell quote) shall not be more than 10% in compliance with the Market Maker spread requirements or as specified by BSE SME and/or SEBI from time to time.
3. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. The minimum lot size in the IPO is 3,000 Equity Shares, thus, the minimum depth of the quote shall be such an amount that the minimum lot of 3,000 Equity Shares is met, until the same is revised by BSE SME.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 3,000 equity shares; however, the same may be changed by the SME Platform of stock exchange from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size (including the 2,04,000 Equity Shares to be allotted under this Issue to the Market Maker). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken into consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.



6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five (5) Market Makers for a scrip of the company at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Exchange.
10. The Equity Shares of the Issuer will be traded in continuous trading session from the time and day the Issuer gets listed on BSE SME and Market Maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars or amended from time to time.
11. The Market Maker shall not buy the Equity Shares from the Promoters or Promoter Group of the Issuer or any person who has acquired Equity Shares from such Promoter or Promoter Group, during the Compulsory Market Making Period
12. The Promoters' holding of the Issuer which is locked-in shall not be eligible for offering to Market Maker during the Compulsory Market Making period. However, the Promoters' holding of the Issuer which is not locked in as per SEBI ICDR Regulations can be traded with prior permission of the BSE SME, in the manner specified by SEBI from time to time.
13. The LM, if required, has a right to appoint a nominee director on the Board of the Issuer any time during the Compulsory Market Making period provided it meets requirements of the SEBI ICDR Regulations.
14. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer at any particular level and is purely supposed to facilitate liquidity on the counter of the Issuer via its 2-way quotes. The price shall be determined and be subject to market forces.
15. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while withdrawal on account of force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
16. The Market Maker(s) shall have the right to terminate said arrangement by giving a (1) one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.
17. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total



number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

18. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

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

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

20. Price Band and Spreads SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

21. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME.

Sr. No.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

22. After completion of the first three months of market making, in terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Offer). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two way quotes during the first three months of the market making irrespective of the level of holding.

23. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. The call auction is not applicable of those companies, which are listed at SME platform.



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

25. Further, the following shall apply to Market Maker while managing its inventory during the process of market making:

a) The exemption from threshold as per table below shall not be applicable for the first three (3) months of the Compulsory Market Making Period and the Market Maker shall be required to provide two-way quotes during this period irrespective of the level of holding.

b) Threshold for market making as per table below will be inclusive of mandatory inventory of 5% of Issue Size at the time of Allotment in the Issue.

c) Any initial holdings over and above such 5% of Issue size would not be counted towards the inventory levels prescribed

d) Apart from the above mandatory inventory, only those Equity Shares which have been acquired on the platform of the Exchange during market making process shall be counted towards the Market Maker's threshold.

e) Threshold limit will be taken into consideration, the inventory level across market makers.

f) The Market Maker shall give two way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes.

g) Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

h) In view of the market making obligation, there shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process on the platform of the Exchange, the Exchange may intimate the same to SEBI after due verification.

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of Issue size)</b>	<b>Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of Issue size)</b>
Upto Rs. 2,000 Lakhs	25 %	24 %
Rs.. 2,000 Lakhs to Rs.. 5,000 Lakhs	20 %	19 %
Rs.. 5,000 Lakhs to Rs.. 8,000 Lakhs	15 %	14 %
Above Rs..8,000 Lakhs	12 %	11 %

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

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

## CAPITAL STRUCTURE

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

<i>Amount (Rs in Lacs except share data)</i>			
Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	12,00,00,000 Equity Shares of Rs.1/- each	1200.00	
<b>B.</b>	<b>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	6,04,86,440 Equity Shares of Rs.1/- each	604.86	
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>		
	Issue of 2,20,00,000 Equity Shares of face value of Rs.1/- each at a premium of Rs. 21/- per share	220.00	4840.00
	<b>Which Comprises:</b>		
(I)	Reservation for Market Maker 11,00,000 Equity Shares of face value of Rs.1/- each at a premium of Rs. 21/- will be available for allocation to the Market Maker	11.00	242.00
(II)	Net Issue to the Public 2,09,00,000 Equity Shares of face value of Rs.1/- each at a premium of Rs. 21/- per share	209.00	4598.00
	<b>Of Net Issue to the Public</b>		
(I)	1,04,50,000 Equity Shares of face value of Rs.1/- each at a premium of Rs. 21/- per share shall be available for allocation for Investors applying for a value of upto Rs. 2 Lakh	104.50	2299.00
(II)	1,04,50,000 Equity Shares of face value of Rs.1/- each at a premium of Rs. 21/- per share shall be available for allocation for Investors applying for a value above Rs. 2 Lakh	104.50	2299.00
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE PRESENT ISSUE</b>		
	8,24,86,440 Equity Shares of Rs.1/- each	824.86	
<b>E.</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Share Premium account before the Issue		56.51
	Share Premium account after the Issue		4676.51

*The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on August 26, 2022, and by the shareholders of our Company vide a special resolution passed pursuant to Section 23 of the Companies Act, 2013 at the AGM held on September 19, 2022.*

### Classes of Shares

Our Company has only one class of share capital i.e., Equity Shares of face value of Rs. 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 Prospectus.

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

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

Date of Amendment	Nature of Amendment	AGM/EGM
November 30, 2020	The Authorized Share Capital of the company was increased from Rs. 10,00,000 divided into 1,00,000 equity shares of Rs. 10/- each to Rs. 1,25,00,000 divided into 12,50,000 equity shares of Rs. 10/- each.	EGM
September 01, 2021	The Authorized Share Capital of the company was increased from Rs. 1,25,00,000 divided into 12,50,000 equity shares of Rs. 10/- each to Rs. 1,50,00,000 divided into 15,00,000 equity shares of Rs. 10/- each.	EGM
November 20, 2021	The Authorized Share Capital of the company was increased from Rs. 1,50,00,000 divided into 15,00,000 equity shares of Rs. 10/- each to Rs. 10,00,00,000 divided into 1,00,00,000 equity shares of Rs. 10/- each.	AGM
February 17, 2022	The Face Value of the Company has been sub-divided from Rs. 10/- each fully paid-up to Rs. 1/- each fully paid-up.  Consequently, the equity shares of the Company increased from 1,00,00,000 equity shares of Rs. 10/- each to 10,00,00,000 equity shares of Rs. 1/- each	EGM
May 12, 2022	The Authorized Share Capital of the company was increased from Rs. 10,00,00,000 divided into 10,00,00,000 equity shares of Rs. 1/- each to Rs. 12,00,00,000 divided into 12,00,00,000 equity shares of Rs. 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 Rs.)	Issue Price per Equity Share (In Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (in Rs.)
On Incorporation*	10,000	10/-	10/-	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	10,000	1,00,000
December 31, 2020	4,51,249	10/-	40/-	Cash	Right Issue <sup>(2)</sup>	4,61,249	46,12,490
August 24, 2021	14,250	10/-	80/-	Cash	Right Issue <sup>(3)</sup>	4,75,499	47,54,990
October 26, 2021	40,000	10/-	80/-	Cash	Right Issue <sup>(4)</sup>	5,15,499	51,54,990
December 14, 2021	1,88,587	10/-	150/-	Cash	Right Issue <sup>(5)</sup>	7,04,086	70,40,860
December 23, 2021	1,02,400	10/-	150/-	Cash	Right Issue <sup>(6)</sup>	8,06,486	80,64,860
December 31, 2021	52,42,158	10/-	-	N.A.	Bonus Issue <sup>(7)</sup>	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 Rs. 10/- each were sub-divided into Equity Shares of face value of Rs. 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 Rs. 10/- each to 6,04,86,440 Equity Shares of Rs. 1/- each <sup>(8)</sup>							

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

<sup>(1)</sup> Subscription to the Memorandum of Association dated November 02, 2015

S l o t	Name of the Allottee	Face Value (Rs.)	Issue Price (Rs.)	Nature Of Allotment	Number Of Equity Shares Allotted
1	Jaimin Kailash Gupta	10/-	10/-	Subscription to MoA	10,000
		<b>Total</b>			<b>10,000</b>



<sup>(2)</sup> Allotment of shares dated December 31, 2020

<i>S l . N o .</i>	<i>Name of the Allottee</i>	<i>Face Value (Rs.)</i>	<i>Issue Price (Rs.)</i>	<i>Nature Of Allotment</i>	<i>Number Of Equity Shares Allotted</i>
1	<i>Qmin Pharma Private Limited</i>	10/-	40/-	<i>Right Issue</i>	1,14,999
2	<i>Tarachand Gangasahay Agrawal</i>	10/-	40/-	<i>Right Issue</i>	62,500
3	<i>Jaimin Kailash Gupta</i>	10/-	40/-	<i>Right Issue</i>	2,73,750
		<b>Total</b>			<b>4,51,249</b>

<sup>(3)</sup> Allotment of shares dated August 24, 2021

<i>S l . N o .</i>	<i>Name of the Allottee</i>	<i>Face Value (Rs.)</i>	<i>Issue Price (Rs.)</i>	<i>Nature Of Allotment</i>	<i>Number Of Equity Shares Allotted</i>
1	<i>Gulshan Lal Kapoor</i>	10/-	80/-	<i>Right Issue</i>	14,250
		<b>Total</b>			<b>14,250</b>

<sup>(4)</sup> Allotment of shares dated October 26, 2021

<i>S l . N o .</i>	<i>Name of the Allottee</i>	<i>Face Value (Rs.)</i>	<i>Issue Price (Rs.)</i>	<i>Nature Of Allotment</i>	<i>Number Of Equity Shares Allotted</i>
1	<i>Ramesh Marand</i>	10/-	80/-	<i>Right Issue</i>	40,000
		<b>Total</b>			<b>40,000</b>

<sup>(5)</sup> Allotment of shares dated December 14, 2021

<i>S l . N o .</i>	<i>Name of the Allottee</i>	<i>Face Value (Rs.)</i>	<i>Issue Price (Rs.)</i>	<i>Nature Of Allotment</i>	<i>Number Of Equity Shares Allotted</i>
1	<i>Tridhya Tech Private Limited</i>	10/-	150/-	<i>Right Issue</i>	93,987
2	<i>Jaimin Kailash Gupta</i>	10/-	150/-	<i>Right Issue</i>	94,600
		<b>Total</b>			<b>1,88,587</b>

<sup>(6)</sup> Allotment of shares dated December 23, 2021

<i>S l . N o .</i>	<i>Name of the Allottee</i>	<i>Face Value (Rs.)</i>	<i>Issue Price (Rs.)</i>	<i>Nature Of Allotment</i>	<i>Number Of Equity Shares Allotted</i>
1	<i>Jaimin Kailash Gupta</i>	10/-	150/-	<i>Right Issue</i>	1,02,400
		<b>Total</b>			<b>1,02,400</b>

<sup>(7)</sup> 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 (Rs.)	Issue Price (Rs.)	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
	<b>Total</b>				<b>52,42,158</b>

<sup>(8)</sup> Sub-division of shares dated February 17, 2022

S.NO	Name of the Allottee	Face Value (Rs.)	Issue Price (Rs.)	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
	<b>Total</b>				<b>6,04,86,440</b>

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

Our Company does not have any preference share capital as on the date of this Draft 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 Rs.)	Issue Price (In Rs.)	Consideration	Reason for Allotment	Benefit accruing to the company
December 31, 2021	52,42,158	10/-	Nil	N. A.	Bonus Allotment <sup>(1)</sup>	Capitalization of Reserves

<sup>(1)</sup> For list of allottees see note 7 of paragraph titled "History of Share capital of our Company" mentioned above.

- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- Our Company has not issued any Equity Shares in terms of any scheme approved under Section 230-234 of the Companies Act, 2013.
- Except for 10,24,000 (1,02,400 of Rs. 10 each) Equity Shares that were allotted on December 23, 2021, 18,85,870 (1,88,587 of Rs. 10 each) Equity Shares that were allotted on December 14, 2021 and a Bonus Issue of 52,42,158 Equity Shares that was made on December 31, 2021, our Company has not issued any Equity Shares at a price which is lower than the Issue Price during a period of one year preceding the date of this Draft Prospectus.



C 2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		1 0	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 Prospectus:

S l · N o .	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
	<b>Total</b>	<b>6,03,06,440</b>	<b>99.70</b>

- 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 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 Prospectus

S l · N o .	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
	<b>Total</b>	<b>6,03,06,440</b>	<b>99.70</b>

- 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 Prospectus:

S l · N o .	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
	<b>Total</b>	<b>4,61,249</b>	<b>100.00</b>

- 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 Prospectus:

S l · N o .	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue share capital
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1	Jaimin Kailash Gupta	1,000	10.00
2	Tarachand Gangasahay Agrawal	9,000	90.00
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

- 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 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 (Rs.)	Issue/ Transfer Price per Equity Share (Rs.)	Nature of Consideration	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%	0.01%	10,000
August 10, 2019	-9,000	10/-	10/-	Cash	Transferred to Tarachand Gangasahay Agrawal	-0.01%	0.01%	1,000
December 31, 2020	2,73,750	10/-	40/-	Cash	Rights Issue	0.45%	0.33%	2,74,750
July 20, 2021	9,000	10/-	10/-	Cash	Transferred from Kailash Gupta	0.01%	0.01%	283750
July 20, 2021	62,500	10/-	10/-	Cash	Transferred from Kailash Gupta	0.10%	0.08%	3,46,250
October 25, 2021	1,12,599	10/-	40/-	Cash	Transferred from Qmin Pharma Private Limited	0.19%	0.14%	4,58,849
December 14, 2021	94,600	10/-	150/-	Cash	Right Issue	0.16%	0.11%	5,53,449
December 23, 2021	1,02,400	10/-	150/-	Cash	Right Issue	0.17%	0.12%	6,55,849
December 31, 2021	42,63,018	10/-	10/-	Other than Cash	Bonus Issue	7.05%	5.17%	49,18,867
February 17, 2022	-49,18,867	10/-	-	NA	Sub Division	-8.13%	-5.96%	-
February 17, 2022	4,91,88,670	1/-	1/-	NA	Sub Division	81.32%	59.63%	4,91,88,670
<b>TOTAL</b>	<b>4,91,88,670</b>					<b>81.32%</b>	<b>59.63%</b>	

10. As on the date of this Draft 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 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
<b>Promoters</b>				
Jaimin Kailash Gupta	4,91,88,670	81.32%	4,91,88,670	59.63 %
<b>Total Promoters Shareholding (A)</b>	<b>4,91,88,670</b>	<b>81.32%</b>	<b>4,91,88,670</b>	<b>59.63 %</b>
<b>Promoter Group</b>				
Nil	-	-	-	-
<b>Total Promoters Group Shareholding (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Promoters &amp; Promoters Group (A+B)</b>	<b>4,91,88,670</b>	<b>81.32%</b>	<b>4,91,88,670</b>	<b>59.63 %</b>

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 Prospectus is filed with BSE.
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 Prospectus.
14. **Details of Promoters' Contribution and Lock-in for Three Years**

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, 2018, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of 3 (three) years from the date of Allotment.

As per clause (a) Regulation 238 of the SEBI (ICDR) Regulations and in terms of the aforesaid table, an aggregate of 20.00% of the post-Issue Equity Share Capital of our Company i.e. 1,64,97,288 (One Crore Sixty Four Lakhs Ninety Seven Thousand Two Hundred and Eighty Eight) equity shares shall be locked in by our Promoter for a period of three years. The lock-in shall commence from the date of allotment in the proposed public issue and the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. (“Minimum Promoters’ contribution”).

Our Promoter has consented for the inclusion of such number of the Equity Shares held by him, in aggregate, as may constitute 20% of the Post-Issue capital of our Company as Promoters’ contribution and the Equity Shares proposed to form part of Promoters’ contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoter during the period starting from the date of filing this Draft Prospectus with the Stock Exchange until the date of commencement of the lock-in period.

Accordingly, Equity Shares aggregating to 20% of the Post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue as follows:

Date of Allotment/ Acquisition	Date when the shares were made fully paid up	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/ acquisition Price (Rs.)	Percentage of Pre Issue capital	Percentage of Post Issue capital
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<b>Mr. Jaimin Kailash Gupta</b>							
December 31, 2021	The shares were issued as fully paid up shares	Bonus	1,64,97,288*	10	-	27.27%	20.00%
<b>Total</b>			<b>12,07,600</b>			<b>27.27%</b>	<b>20.00%</b>

\* Out of the 1,64,97,288 (One Crore Sixty Four Lakhs Ninety Seven Thousand Two Hundred and Eighty Eight) Equity Shares 36,92,288 (Thirty Six Lakhs Ninety Two Thousand two Hundred and Eighty Eight) Equity Shares that are being locked in are not ineligible for minimum promoters' contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018.

1,28,05,000 (One Crore Twenty Eight Lakhs Five Thousand) Equity Shares are ineligible for lock-in to meet the requirement of Minimum Promoters' contribution under Regulation 237(1)(a)(ii) read with Regulation 237(1)(b) of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 as these are bonus shares issued on shares which were issued during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.

The Promoter has vide his letter dated September 29, 2022 given his consent for lock in as stated above and has undertaken to pay to the issuer a sum of Rs. 8,96,35,000/- (Rupees Eight Crores Ninety Six Lakhs Thirty Five Thousand only) being the difference between the price at which the specified securities are offered in the initial public offer and the price at which the specified securities had been acquired (as adjusted for sub-division of shares) at least one day prior to the date of opening of the issue.

In this connection, we confirm the following (subject to the exception as mentioned in the previous note).

- The equity shares offered for minimum 20% promoters contribution have not been acquired in the preceding three years before the date of Draft prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction nor resulted from a bonus issue by utilisation of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution;
- The minimum promoters Contribution does not include Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- No Equity Shares have been issued to our Promoter upon conversion of a partnership firm during the preceding one year at a price less than the Issue price.
- The Equity Shares held by our Promoter and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by our Promoter are in dematerialized form; and
- The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

## 15. Equity Shares of Promoter locked-in for one year



Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoter, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

**16. Lock-in of securities held by persons other than the promoters:**

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

**17. Transferability of Lock-in securities:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, 2018, may be transferred to another Promoters or any person of the promoter group or a new promoter or a person in control of the issuer company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, 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 239 of the SEBI (ICDR) Regulations, 2018 subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

**18. Pledge of Locked in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important nonbanking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- i. if the Equity Shares are locked-in in terms of clause (a) of regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the issue and pledge of Equity Shares is one of the terms of sanction of the loan;
- ii. if the specified securities are locked-in in terms of clause (b) of regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the Equity Shares till the lock-in period stipulated in these regulations has expired.

**19. Other requirements**

In terms of regulations 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms the securities issued in dematerialized form then the lock-in is recorded by the depository.

Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

All the Equity Shares of our Company are fully paid up equity shares as on the date of the Draft

Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.

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

As per RBI regulations, OCBs are not allowed to participate in this Issue.

Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

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

Our Promoter and the members of our Promoter Group will not participate in this Issue.

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

Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of filing Draft Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

None of our Key Managerial holds any Equity Shares in our Company.

## OBJECT OF THE ISSUE

The Issue comprises a Fresh Issue of 2,20,00,000 Equity Shares, aggregating Rs. 4840 lakhs by our Company.

### The Fresh Issue

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

- To Meet Working Capital Requirement
- General Corporate Purposes
- To Meet the Issue Related Expenses

*(Collectively referred as the “objects”)*

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.

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

### Issue Proceeds

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

Particulars	Estimated Amount (In Rs. Lakh)
Gross proceeds to be raised through this Issue (“ <b>Issue Proceeds</b> ”)	4840.00
Issue related expenses	50.00
Net proceeds of the Issue after deducting the Issue related expenses from the Issue Proceeds (“ <b>Net Proceeds</b> ”)	4790.00

### Requirement of Funds and Utilization of Net Proceeds

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

S. No.	Particulars	Total Estimated Amount (In Rs. Lakh)
1.	To meet the incremental working capital requirements	3600.00
2.	General Corporate Purpose	1190.00
	<b>Total</b>	<b>4790.00</b>

### 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:

S. No.	Particulars	Total Estimated Amount (In Rs. Lakh)	Amounts to be financed from Net Proceeds of the Issue (In Rs. Lakh)	Estimated Net Proceeds Utilization (In Rs. Lakh)	
				FY 2022-23	FY 2023-24
1.	To meet the incremental working capital requirements	3719.42	3600.00	3600.00	-
2.	General Corporate Purpose	1190.00	1190.00	1190.00	-
	<b>Total</b>	<b>4909.42</b>	<b>4790.00</b>	<b>4790.00</b>	<b>-</b>

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 utilized towards such objects by March 31, 2023, such amounts will be utilized (in part or full) in subsequent periods as determined by us, in accordance with applicable law.

Any expenditure after filing of Draft 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

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt. (Rs. in Lacs)
Net Issue Proceeds	4790.00
<b>Total</b>	<b>4790.00</b>

The objects of the Issue detailed above are proposed to be funded from the Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make any further arrangements for financing the same through any verifiable means.

The fund requirement described below is based on the management estimates and is not appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan and estimates from time to time and consequently our funding requirements and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds, subject to compliance with applicable law.

In case of variations in the actual utilization of funds earmarked 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 resources, cash flow from our

operations and/or debt, as required. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal resources, and / or seeking additional debt. In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

While we intend to utilise the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements.

No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or group concerns/companies promoted by our promoters.

## Details of Objects of the Issue

### 1. 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:

(Rs. in lakh)

S. No.	Particulars	As on March 31 2020 (Audited & Restated)	As on March 31 2021 (Audited & Restated)	As on March 31 2022 (Audited & Restated)	As on March 31 2023 (Estimated and Budgeted)
<b>A.</b>	<b>Current Assets</b>				
	Inventories	210.50	379.38	1,906.57	3,165.27
	Trade Receivables	153.15	400.50	5,910.33	5,451.30
	Other Current Assets (Advance to Suppliers)	159.20	241.52	293.00	684.78
	Short Term Loans and Advances	24.97	932.08	1,059.43	1,250.00
	<b>Total Current Assets (A)</b>	<b>547.81</b>	<b>1,953.48</b>	<b>9,169.33</b>	<b>10,551.35</b>
<b>B.</b>	<b>Current Liabilities and Provisions</b>				
	Trade Payables	445.38	846.35	7,974.41	5,478.25
	Other current liabilities and provisions	145.07	393.83	41.24	200.00

	<b>Total current liabilities and Provisions (B)</b>	<b>590.45</b>	<b>1,240.18</b>	<b>8,015.65</b>	<b>5,678.25</b>
	<b>Total Working Capital requirement (A-B)</b>	<b>(42.64)</b>	<b>713.30</b>	<b>1,153.68</b>	<b>4,873.10</b>
	<b>Additional Working Capital requirement</b>		<b>755.93</b>	<b>440.38</b>	<b>3,719.42</b>
	<b>Source of Working Capital</b>				
	IPO Proceeds	-	-	-	3,600.00
	Short Term borrowings	-	267.49	471.96	471.96
	Internal Accruals	-	445.80	681.71	801.14
	<b>Total Source of Working Capital</b>	<b>-</b>	<b>713.30</b>	<b>1,153.68</b>	<b>4,873.10</b>

### *Holding Period*

<b>Particulars</b>	<b>As on March 31 2020 (Audited &amp; Restated)</b>	<b>As on March 31 2021 (Audited &amp; Restated)</b>	<b>As on March 31 2022 (Audited &amp; Restated)</b>	<b>As on March 31 2023 (Estimated and Budgeted)</b>
Inventories holding period (based on Cost of Goods Sold)	128	126	72	75
Trade Receivables holding period (based on Operating Sales)	82	119	199	100
Other Current Assets-Advance to Suppliers (based on Purchases of Traded Goods)	81	70	10	15
Trade Payables (based on Purchases of Traded Goods)	226	244	260	120

<b>Particulars</b>	<b>Details</b>
Inventory Holding Period	In financial year 2020, 2021, 2022, our Inventory holding period was 128 days, 126 days and 72 days respectively. We are estimating to maintain the Inventory holding period at levels of 75 days for financial year 2023 as per our projected financials and market condition.

Trade Receivables Holding period	In financial year 2020, 2021, 2022, our Trade Receivables holding period was 82 days, 119 days and 199 days respectively. We are estimating to maintain the Trade Receivables holding period at levels of 100 days for financial year 2023 as per our projected financials and market condition. We are estimating the reduction in Trade Receivables holding period in FY 203 on account of better realization from its Debtors.
Other Current Assets-Advance to Suppliers Holding Period	In financial year 2020, 2021, 2022, our Advance to Suppliers holding period was 81 days, 70 days and 10 days respectively. We are estimating to maintain the Advance to Suppliers holding period at levels of 15 days for financial year 2023 as per our projected financials and market condition.
Trade Payables Holding Period	In financial year 2020, 2021 and 2022, our Trade Payables Holding Period was 226 days, 244 days and 260 days respectively. However, going forward we are estimating to maintain the Creditor holding period at levels of 120 days for Financial year 2023 to avail better pricing and reducing the cost of purchase.

## **2. 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., 1190 lakhs, which is 24.59% 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.

## **3. 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:

<b>Activity</b>	<b>Estimated Expenses* (Rs. In lakh)</b>	<b>% of Total Issue Expenses</b>	<b>% of the Total Issue Size</b>
Lead Manager Fees including other intermediaries Fees	[●]	[●]	[●]
Regulators Including Stock Exchanges	[●]	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]	[●]
Printing and distribution of Issue Stationary	[●]	[●]	[●]
<b>Total</b>	50	[●]	[●]

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

**Details of all material existing or anticipated transactions in relation to utilisation of the issue proceeds or project cost with promoters, directors, key management personnel, associates and group companies.**

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed under the heading “**Interest of the Promoters, Directors or Group Companies**” and “**Interest of Directors**” as mentioned in this Draft Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed through internal accruals and/or debt.

**FUNDING PLANS (MEANS OF FINANCE)**

<b>Particulars</b>	<b>Amount (In Rs. Lakh)</b>
Net Proceeds of the issue	4790.00
<b>Total</b>	<b>4790.00</b>

The stated objects of the Issue are proposed to be entirely financed by the Net Proceeds of the Issue, thus, we are not required to make any firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed Issue, as required under Regulation 230(1)(e) of the SEBI (ICDR) Regulations.

**Balance portion of the means of finance for which no firm arrangement has been made.**

Nil. The Means of Finance consists only of proceeds from the Proposed Issue.

In case of shortfall in net proceeds required to fund our stated objects, we may explore a range of options including utilizing our internal accruals, and / or seeking debt from lenders to fund our stated objects.

**The details of funds tied up and the avenues for deployment of excess proceeds, if any.**

No funds have been tied up and no excess proceeds are expected to be received. Oversubscriptions, if any, shall be duly refunded.

**APPRAISAL**

No appraisal of the project cost has been done. It is based upon Management estimates and commercial quotations.

**DEPLOYMENT OF FUNDS:**

The Company has received the Sources and Deployment Funds Certificate dated September 30, 2022 from the



Statutory Auditors, M/s J.S. Maheshwari & Co., Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs. 8.00 Lakh till September 30, 2022. Details of the sources and deployment of funds as on September 30,, 2022 as per the certificate are as follows:

<b>Particulars</b>	<b>Amount (Rs. in Lakh)</b>
Issue Expenses	8.00
<b>Total</b>	<b>8.00</b>

#### **SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED**

<b>Particulars</b>	<b>Amount (Rs. Lakh)</b>
Internal Resources	8.00
<b>Total</b>	<b>8.00</b>

#### **DEPLOYMENT OF BALANCE FUNDS**

(in Rs. Lakh)

<b>Deployment of Funds</b>	<b>Already incurred in Financial Year 2021-22</b>	<b>To be incurred in Financial Year 2022-23</b>	<b>Total</b>
To meet the incremental working capital requirements	-	3600.00	3600
General Corporate Purposes	-	1190.00	1190.00

#### **INTERIM USE OF FUNDS**

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the net proceeds received by the company from the Issue. Pending utilization for the purposes described above, we intend to deposit the net issue proceeds pending utilization only in the scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934

#### **BRIDGE LOAN**

We have not raised any bridge loans which are required to be repaid from the Net Proceeds.

#### **MONITORING UTILIZATION OF FUNDS FROM ISSUE**

As the size of the Issue will not exceed Rs.10,000 Lakh, the appointment of Monitoring Agency would not be required as per Regulation 262 of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Proceeds through our audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

Except in the usual course of business, no part of the proceeds from the Issue will be paid by the Company as consideration to its Promoters, Directors, Group Companies or key managerial employees.

For risks associated with respect to the objects of this Issue, please see "Risk Factors" beginning on page 20 of the Draft Prospectus.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and 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 Special Resolution through postal ballot. 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 prescribed by SEBI, in this regard.

## BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company in consultation with the Lead Manager, 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 Rs. 1/- each and the Issue Price is 22 times of the face value. 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	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weight
Year ended March 31, 2022	0.15	0.15	3
Year ended March 31, 2021	2.50	2.50	2
Year ended March 31, 2020	0.47	0.47	1
<b>Weighted Average</b>	<b>0.99</b>	<b>0.99</b>	<b>--</b>

\* 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 in all years (Split of face value from Rs. 10/- to Rs. 1/-)

#### 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 Rs.10/- each into Ten equity shares having face value of Rs. 1/- each.

**2. Price to Earning (P/E) Ratio in relation to the Issue Price of Rs. 22 per equity share of face value of Rs. 1/- each**

Particulars	P/E (No. of times)
Based on basic and diluted EPS of Rs. 0.15 as per the Restated Financial Information for the year ended March 31, 2022	146.67
Based on Weighted Average EPS of Rs. 0.99 as per the Restated Financial Information for the year ended March 31, 2022	22.22

**3. Industry P/E Ratio**

Particulars	P/E Ratio
Highest	148.13
Lowest	10.41
Average	61.64

*\*Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E Ratio of the industry peer set disclosed in this Chapter. For further details, see “Comparison of Accounting Ratios with Industry peers” on page 91.*

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

Particulars	RONW in %	Weight
Year ended March 31, 2022	8.52%	3
Year ended March 31, 2021	14.22%	2
Year ended March 31, 2020	17.96%	1
<b>Weighted Average</b>	<b>11.99%</b>	

- $RoNW (\%) = \text{Net profit after tax} / \text{Net worth at the end of the year}$ .
- $\text{Net worth} = \text{Equity share capital} + \text{Other Equity (including Securities Premium and Surplus/ (Deficit))}$ .
- $\text{Weighted Average} = \text{Aggregate of year wise weighted RoNW divided by the aggregate of weights i.e. } \{(\text{RoNW} \times \text{Weight}) \text{ for each year}\} / \{\text{Total of weights}\}$

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

Particulars	Amount
Net Asset Value per Equity Share as of March 31, 2022 (after split of Equity shares from Rs. 10/- to Rs. 1/-)	1.25

Net Asset Value per Equity Share after the Issue	6.79
Issue Price per equity share	22

## 6. Comparison with Listed Industry Peers:

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

S. No.	Name of the company	Face Value (Rs. Per Share)	EPS (Rs.) <sup>(1)</sup>	P/E Ratio <sup>(2)</sup>	RoNW (%) <sup>(3)</sup>	Book value per share (Rs.) <sup>(4)</sup>
1	Stitched Textiles Limited	1	0.15	NA	8.52%	1.25
<b>Listed Peers</b>						
2	Go Fashion (India) Limited	10	8.47	148.13	8.12%	81.17
3	Cantabil Retail India Limited	10	23.31	57.56	23.77%	98.04
4	Kewal Kiran Clothing Limited	10	13.25	30.45	17.08%	77.57
5	Kitex Garments Limited	1	18.82	10.41	15.41%	122.13

*Source: The Company's Financial Figures are based on restated consolidated audited financial statements for the financial year ended on March 31, 2022 unless provided otherwise. With respect to Industry peers, all the financial information mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and sourced from the audited results of the respective companies for the year ended March 31, 2022 unless provided otherwise.*

*Note:*

(1) Basic EPS for the year ended March 31, 2022

(2) P/E Ratio has been computed based on the closing market price of equity shares of industry peers on September 26, 2022 (Source: www.bseindia.com), divided by the Basic EPS for the year ended March 31, 2022.

(3) RoNW is computed as net profit after tax divided by net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus/Other Equity.

(4) NAV is computed as the closing net worth divided by the outstanding number of equity shares.

## 7. The Offer price is 22 times of the face value of the Equity Shares

The Issue Price of Rs. 22 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.

Applicants 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**

**1st Floor, Barcelona House,**

**B/S.Star House., Opp-Shell Pump Road,**

**Prahladnagar, Satellite,**

**Ahmedabad, Gujarat, India 380015.**

Dear Sirs,

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

We hereby confirm that the enclosed annexure, prepared by Limited (‘the Company’) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 (‘Act’) as amended time to time, the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

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

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

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

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

**The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.**

**No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.**

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**Signed in terms of our separate report of even date.**

**For M/s J S Maheshwari & Co.**

**Chartered Accountants**

**Firm Reg. No: 001318C**

**Dilip Maliwal**

**Partner**

**Membership No. 148387**

**UDIN: 22148387ARMHNM4144**

**Place: Ahmedabad**

**Date: 05/09/2022**

**Annexure to the statement of possible Tax Benefits**

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

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

**1. Special Tax Benefits available to the Company under the Act:**

The Company is not entitled to any Special tax benefits under the Act.

**2. Special Tax Benefits available to the shareholders of the Company**

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

**Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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

**Signed in terms of our separate report of even date.**

**For M/s J S Maheshwari & Co.  
Chartered Accountants  
Firm Reg. No: 001318C**

**Dilip Maliwal  
Partner  
Membership No. 148387  
UDIN: 22148387ARMHNM4144**

**Place: Ahmedabad  
Date: 05/09/2022**



## SECTION IV: ABOUT THE COMPANY AND THE INDUSTRY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. 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 and, accordingly, investment decisions should not be based on such information.*

*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 and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 25 and 194 of the Draft Prospectus.*

### Global Economic Overview

Due to downturns in China and Russia, global output decreased in the second quarter of FY 22, while US consumer spending fell short of expectations. An already fragile global economy has been hit by a number of shocks, including higher-than-expected global inflation, especially in the United States and major European economies, tighter financial conditions, a worse-than-expected slowdown in China due to COVID-19 outbreaks and lockdowns, and more detrimental effects from the conflict in Ukraine.

Global growth is projected to slowdown from 6.1% in 2021 to 3.2% in 2022. In comparison to the April 2022 World Economic Outlook, this is 0.4% lower. The United States' GDP was revised downward by 1.4 percentage points as a result of lower growth earlier this year, less consumer purchasing power, and tighter monetary policy. Significant downgrades in Europe are a result of tighter monetary policy and fallout from the conflict in Ukraine. Due to rising food and energy costs as well as persistent supply-demand imbalances, it is now expected that global inflation will reach 6.6 percent in advanced economies this year and 9.5 percent in emerging market and developing economies—upside revisions of 0.9 and 0.8 percentage points, respectively. A disinflationary monetary strategy is anticipated to take hold in 2023, with only a 2.9% increase in world output.

### Global Growth Outlook Projections (in %)

Country/Group	2021	Projections	
		2022	2023
<b>World Output</b>	<b>6.1</b>	<b>3.2</b>	<b>3.9</b>
<b>Advanced Economies</b>	<b>5.2</b>	<b>2.5</b>	<b>1.4</b>
United States	5.7	2.3	1.0
Euro Area	5.4	2.6	1.2
Japan	1.7	1.7	1.7
United Kingdom	7.4	3.2	0.5
Canada	4.5	3.4	1.8
Other Advanced Economies	5.1	2.9	2.7
<b>Emerging Markets and Developing Economies</b>	<b>6.8</b>	<b>3.6</b>	<b>3.9</b>
<b>Emerging and Developing Asia</b>	<b>7.3</b>	<b>4.6</b>	<b>5.0</b>
China	8.1	3.3	4.6
India*	8.7	7.4	6.1
ASEAN-5	3.4	5.3	5.1

<b>Emerging and Developing Europe</b>	<b>6.7</b>	<b>-1.4</b>	<b>0.9</b>
Russia	4.7	-6.0	-3.5
<b>Latin America and the Caribbean</b>	<b>6.9</b>	<b>3.0</b>	<b>2.0</b>
<b>Middle East and Central Asia</b>	<b>5.8</b>	<b>4.8</b>	<b>3.5</b>
<b>Sub-Saharan Africa</b>	<b>4.6</b>	<b>3.8</b>	<b>4.0</b>
<b>Emerging Market and Middle-Income Economies</b>	<b>7.0</b>	<b>3.5</b>	<b>3.8</b>
<b>Low-Income Developing Countries</b>	<b>4.5</b>	<b>5.0</b>	<b>5.2</b>

\*For India, data and forecasts are presented on a fiscal year basis with FY 2021/22 starting in April 2021. For the July 2022 WEO Update, India's growth projections are 7.4% in 2022 and 6.1% in 2023 based on calendar year.

Source: IMF, World Economic Outlook Update, July 2022.

### **Advanced Economies Group**

In general, major advanced economies' growth projections for 2022–2023 are negative. Based on weaker-than-anticipated growth in the first two quarters of 2022 and significantly less momentum in private consumption, which is partly due to the decline in household purchasing power and the anticipated effects of a steeper tightening of monetary policy, the baseline growth in the United States is revised downward by 1.4 percentage points and 1.3 percentage points in 2022 and 2023, respectively. The euro area's growth is also downgraded: by 0.2 percentage points in 2022 and by 1.1 percentage points in 2023, respectively, as severe downgrades in France, Germany, and Spain more than offset improvements in Italy's tourism and industrial activity expectations.

This is due to the fallout from the conflict in Ukraine as well as expectations of tighter financial conditions. The European Central Bank will stop buying net assets in July 2022 and raise interest rates for the first time since 2011. The Next Generation EU grants are promoting economic activity in several European economies.

### **Emerging Market and Developing Economies Group**

The steep slowdown in China's economy and the slowing in India's economic growth are the key factors for the negative revisions to growth in emerging market and developing economies for 2022–2023. Compared to the baseline for 2022, the change in emerging and developing Asia is substantial, at 0.8 percentage points. With the exception of the initial COVID-19 crisis in 2020, this revision lowers China's growth estimate by 1.1 percentage points to 3.3 percent, which is the lowest growth rate in more than four decades. This decrease is mostly the result of the aforementioned COVID-19 outbreaks and lockdowns.

Similar to this, India's forecast was reduced by 0.8 percentage points, to 7.4 percent. The change for India mostly reflects less favorable external conditions and more swiftly tightening policies. The baseline's growth revisions have generally been positive in other areas. On the back of stronger-than-expected Russian export growth in 2022 and the recently announced additional sanctions on Russia in 2023, real GDP for emerging and developing Europe is predicted to shrink by 1.5 percentage points less in 2022 than predicted in the April 2022 World Economic Outlook but grow by 0.4 percentage point less in 2023. A stronger recovery in the major economies of Latin America and the Caribbean has also resulted in an upward revision of 0.5 percentage points for 2022. (Brazil, Mexico, Colombia, Chile).

Reflecting the effects of elevated fossil fuel and metal prices for several commodity-exporting countries, the outlooks for countries in the Middle East, Central Asia, and sub-Saharan Africa are generally stable or positive.

### **Global Trade & Inflation**

The fall in global demand and issues with the supply chain will likely cause a greater slowdown in global trade growth in 2022 and 2023 than previously anticipated. Given the dominance of the dollar in trade invoicing and the detrimental effects on demand and imports in nations with dollar-denominated liabilities, the dollar's appreciation in 2022—by about 5% in nominal effective terms as of June compared with December 2021—is also likely to have slowed global trade growth.

By the end of 2024, inflation is predicted to be back to levels similar to those before the epidemic. However, a number of reasons could make it continue to gain pace and build expectations for the long run. A further tightening of monetary policy could result from more supply-related shocks to food and energy prices brought on by the conflict in Ukraine. These shocks could cause a substantial rise in headline inflation and carry through to core inflation. Although this is not included in the baseline scenario, such shocks could, if sufficiently severe,

result in a recession followed by high and rising inflation (sometimes known as "stagflation"). Numerous economies are experiencing historically high levels of labor market tightness, and employees may start to ask for more money to make up for prior rises in the cost of living. In industries or locations where firms have monopsony dominance or where price rises occurred before wage inflation, businesses may be able to absorb rising labor costs by cutting profit margins.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022#Data%20Tools>

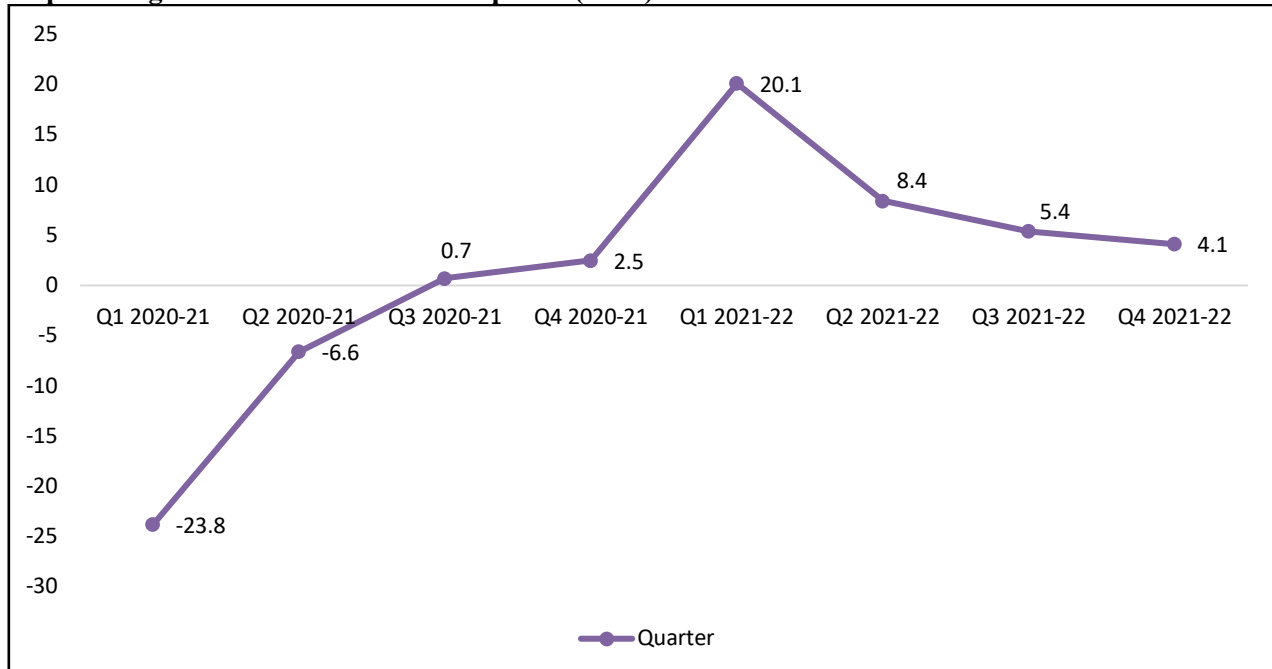
### Indian Economic Overview

With the support of its strong democracy and solid alliances, India has emerged as the major economy with the highest rate of growth in the world. Over the next 10 to 15 years, it is predicted that India would rank among the top three economic powers internationally.

Real GDP or Gross Domestic Product (GDP) at Constant (2011-12) Prices in the year 2021-22 is estimated to attain a level of ₹ 147.36 lakh crore, as against the First Revised Estimate of GDP for the year 2020-21 of ₹ 135.58 lakh crore, released on January 2022. The growth in GDP during 2021-22 is estimated at 8.9 percent as compared to a contraction of 6.6 percent in 2020-21.

Nominal GDP or GDP at Current Prices in the year 2021-22 is estimated to attain a level of ₹ 236.65 lakh crore, as against ₹ 198.01 lakh crore in 2020-21, showing a growth rate of 19.5 percent.

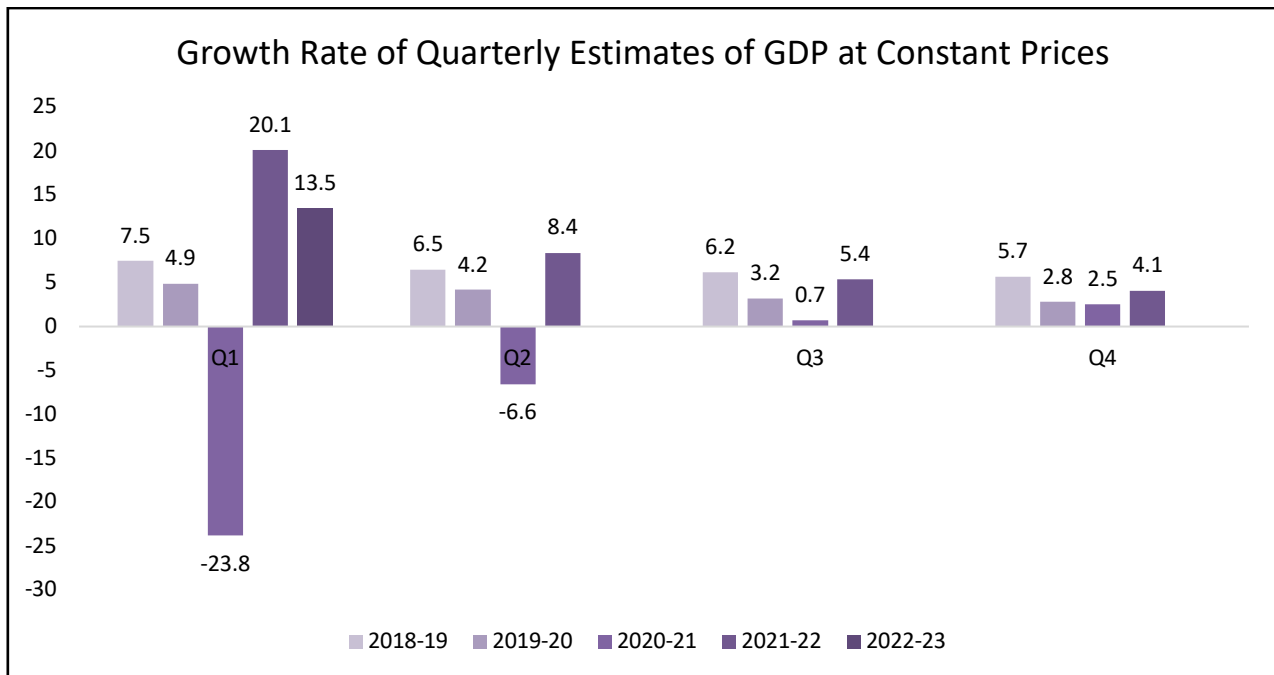
#### Sequential growth in GDP at constant prices (in %)



Source: MOSPI

Future government capital expenditures in the Indian economy are anticipated to be aided by elements including tax buoyancy, a simplified tax system, a careful analysis and optimization of the tariff structure, and automation of tax filing. In 2021-22, India's current account deficit (CAD), which was mostly caused by a rise in the trade deficit, was 1.2% of GDP.

Source: <https://www.ibef.org/economy/indian-economy-overview>



**Source: MOSPI**

India's economy is predominantly driven by domestic demand, with consumption and investments accounting for 70% of all economic activity in the nation. As the economy has recovered from the COVID-19 pandemic shock, a number of investments and advancements have been made in a variety of economic areas. According to the World Bank, India must continue to place a high priority on reducing inequality while also implementing measures that would promote economic growth.

In May 2022, the Index of Industrial Production (IIP) stood at 137.7 driven by mining, manufacturing and electricity sectors.

Consumer Price Index (CPI) inflation stood at 7.01% in June 2022 compared to 7.04% in May 2022.

### **Road Ahead**

Economic activity in India is holding up better than expected despite persistent geopolitical worries, rising interest rates in the US and India, high prices for crude oil and a few other commodities, and rising interest rates in both countries. The rate of economic activity has entirely recovered from the COVID-19 pandemic shock, according to electricity consumption, manufacturing PMI, exports, power supply, and other high-frequency indicators. The efficient execution of PLI schemes, the expansion of renewable energy sources while diversifying import dependency on crude oil, and the support of the banking sector are expected to propel economic growth. The rise in the current account deficit will be helped by recent government attempts to increase revenue, and it will also ensure that any potential fiscal slippage is sufficiently contained. Overall, compared to the first two months of FY 2022–23, the first ten days of July and June were better, which is reason for consolation and even cautious optimism in these trying circumstances. A Boston Consulting Group (BCG) report predicts that India will be the third-largest consumer economy by 2025, when changes in consumer spending and behavior may cause its consumption to double to US\$ 4 trillion. According to a PricewaterhouseCoopers estimate, India is expected to pass the US in 2040 to become the second-largest economy in terms of purchasing power parity (PPP).

**Source:** <https://www.ibef.org/economy/indian-economy-overview>

## **• MARKET ASPECTS OF TEXTILE INDUSTRY**

### **• 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.

• **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

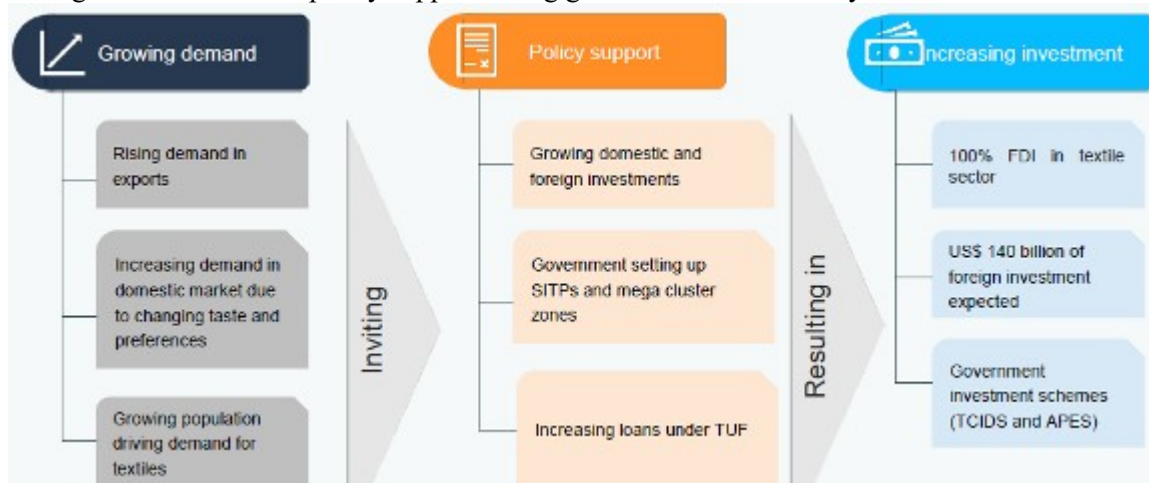
- Make in India campaign was launched to attract manufacturers and FDI
- Technology Mission for Technical Textile has been continued
- Under Union Budget 2022-23, the Government of India allocated ~ Rs. ₹12,382.14 crore to the Ministry of Textiles
- The Mega Integrated Textile Region and Apparel (MITRA) 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*

• **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.*

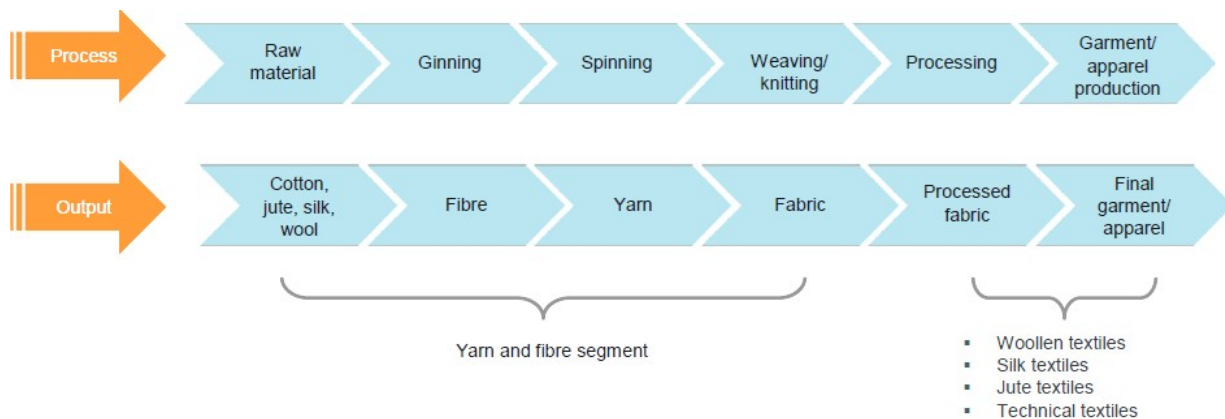
• **CATEGORY-WISE RECOVERY**

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



Sales for **kids wear**, **casual wear** & **Denim** recovered faster, while ethnic wear and formal wear were the worst hit segments

- **KEY SEGMENTS OF THE TEXTILE INDUSTRY**



Source: Textile Ministry, Make in India

- **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.

- **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

• **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.

• **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.

- **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.

- **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.

- **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.

- **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.

• **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.

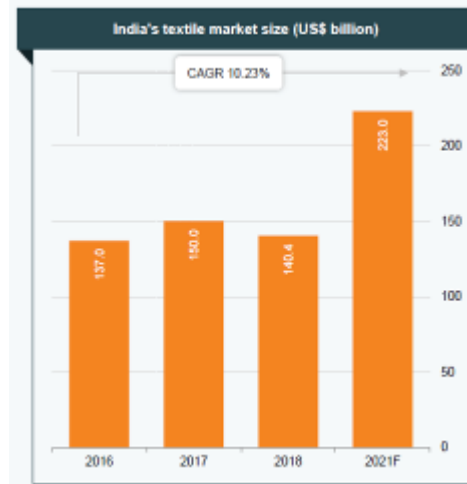
#### • **COTTON - RAW MATERIAL**

- 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.

- **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.

- **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 employ 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.
- **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 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.
- **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
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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

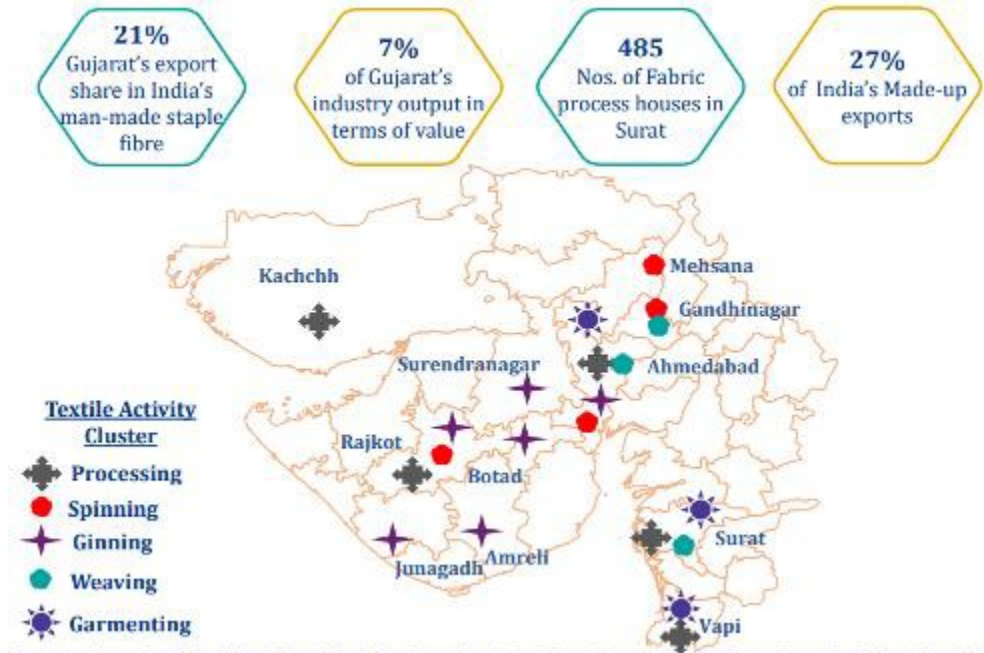
#### 2.8 GUJARAT TEXTILE MARKET

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.

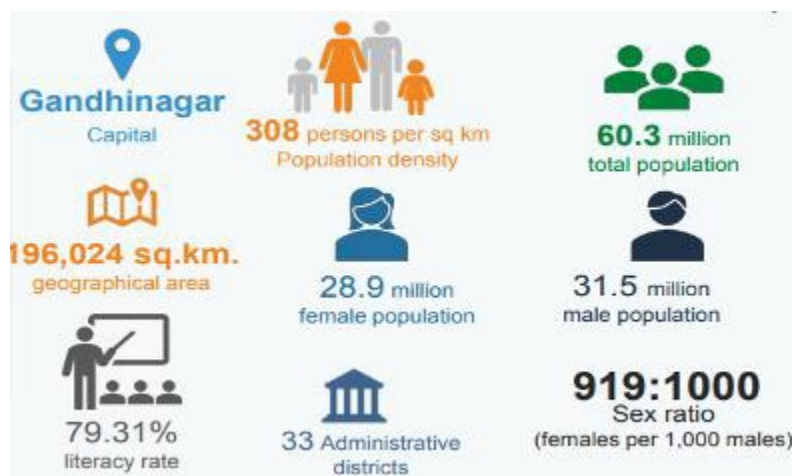
• GUJARAT TEXTILE INDUSTRY MAP



Source: Cotton Association of India, Industries

Commissionerate, GOG

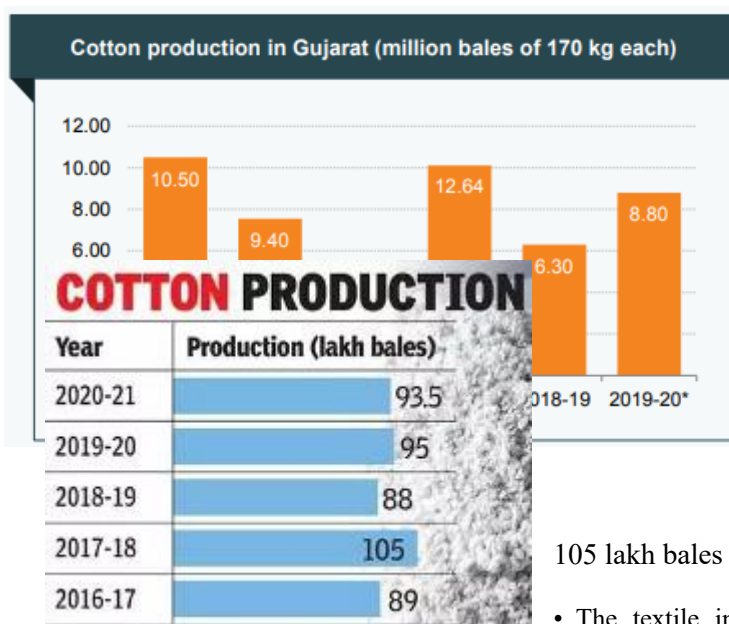
• GUJARAT FACTS



- 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.

• **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.

- (i) 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
<b>World Total</b>	<b>26.77</b>	<b>23.81</b>	<b>26.17</b>	<b>24.12</b>	<b>26.23</b>	<b>24.73</b>	<b>21.48</b>	<b>24.14</b>	<b>23.07</b>	<b>24.54</b>



Country	2017-18		2018-19		2019-20		2020-21		2021-22	
	Production	Consumption	Production	Consumption	Production	Consumption	Production	Consumption	Production	Consumption
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
<b>World Total</b>	<b>26.68</b>	<b>26.34</b>	<b>25.97</b>	<b>25.98</b>	<b>26.27</b>	<b>23.05</b>	<b>24.38</b>	<b>25.66</b>	<b>25.89</b>	<b>26.16</b>

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

- (ii) 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.
- (iii) Compared to other countries, Following China, India became the world's second largest producer and consumer of cotton.
- (iv) 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.

#### • 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

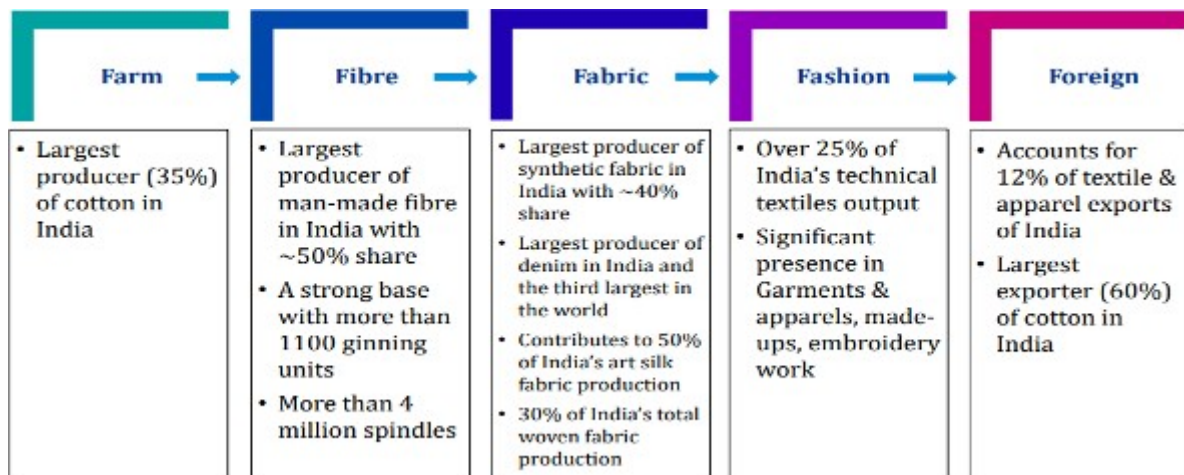
Part of the S.K. Birla Group, the company was established in Jamnagar, Gujarat in 1948. The company manufactures fabrics for suiting and casual wear. It has restructured its business portfolios to focus on textile manufacturing and marketing of fabrics and ready-to-wear clothing under its own brands.



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.

• **GUJARAT STRONG PRESENCE ACROSS THE VALUE CHAIN**



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

• **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

• **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

**• 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.-Molvani, 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
			<b>928</b>	<b>1,398</b>	<b>611</b>	<b>811</b>

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.

- **MARKET ASPECTS OF GARMENTS/ APPAREL INDUSTRY**
- **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 5<sup>th</sup> 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.

- **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.

- **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.

• **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

• **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.

- **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.

- **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.

- **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 edge 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.

#### • **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.

#### • **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.

• **APPARELS TO PLAY A KEY ROLE**

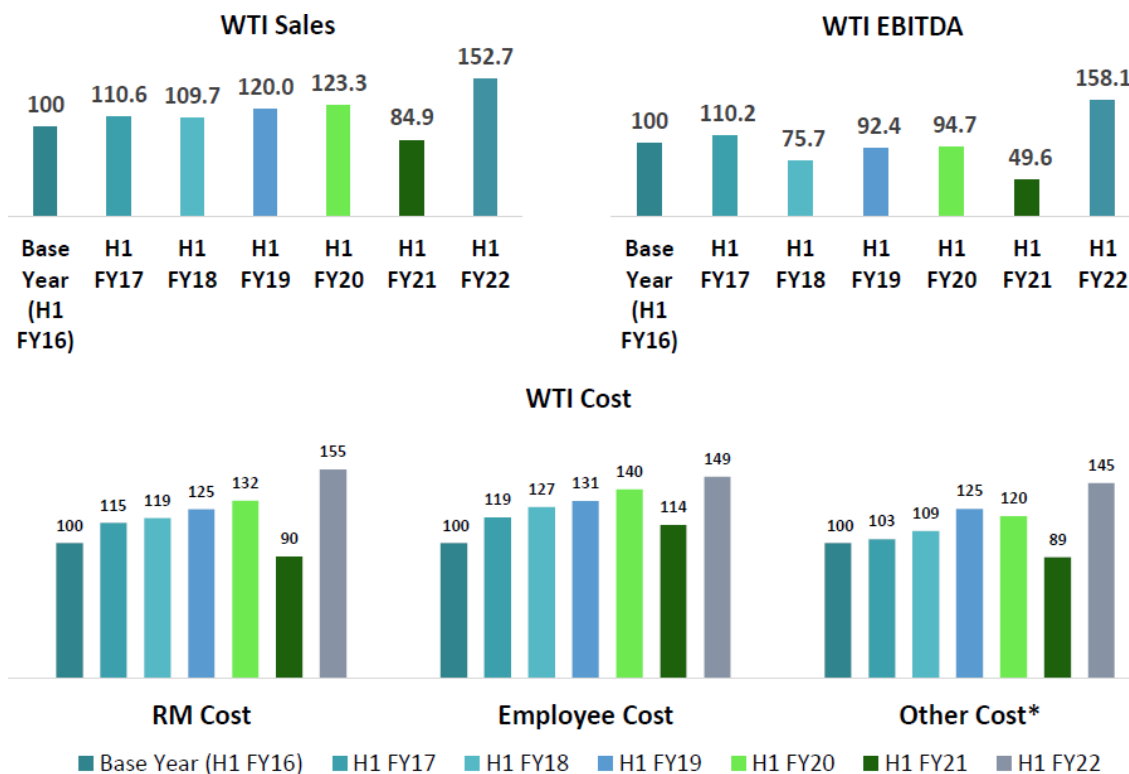
According to India Brand Equity Foundation, textiles and apparel industry in India have a history of fine craftsmanship and global appeal. Cotton, silk, and denim from India are highly popular abroad, and with the upsurge in Indian design talent, Indian apparel too has found success across fashion centres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

• **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:



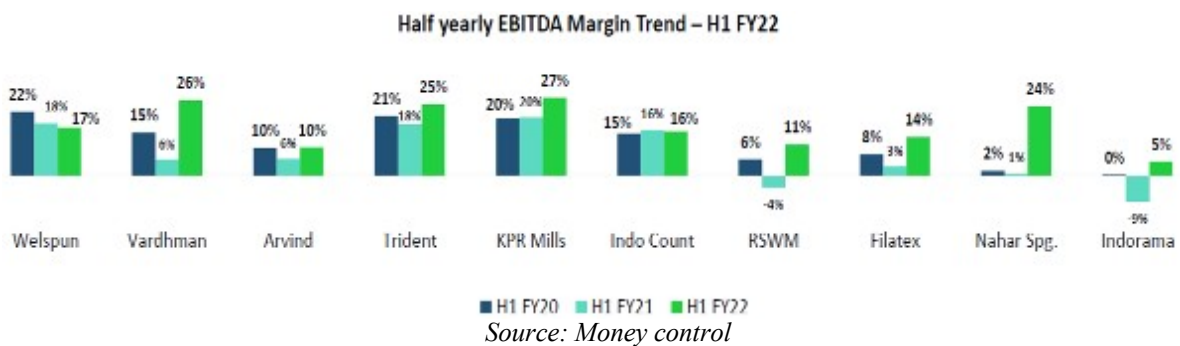
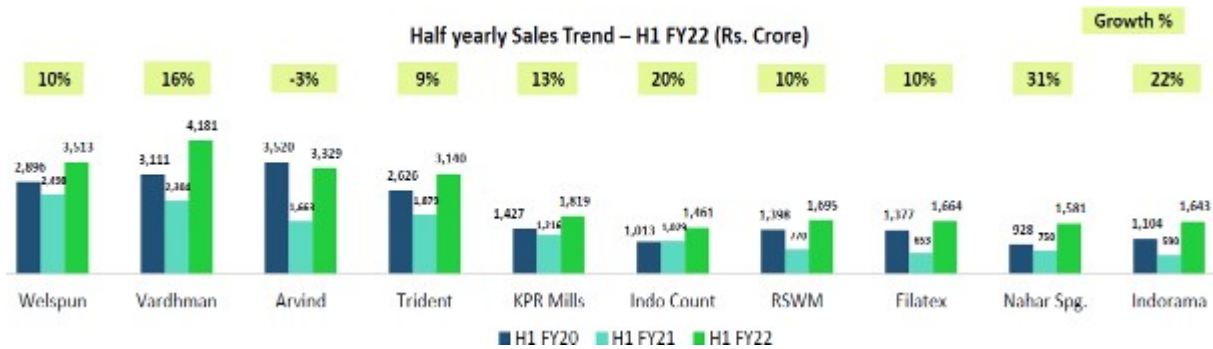
Source: Wazir Advisors H1 FY 2022

**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.

**HALF YEARLY SALES TREND – H1 FY22**

Half yearly Analysis for the Selected Top Players as follows:

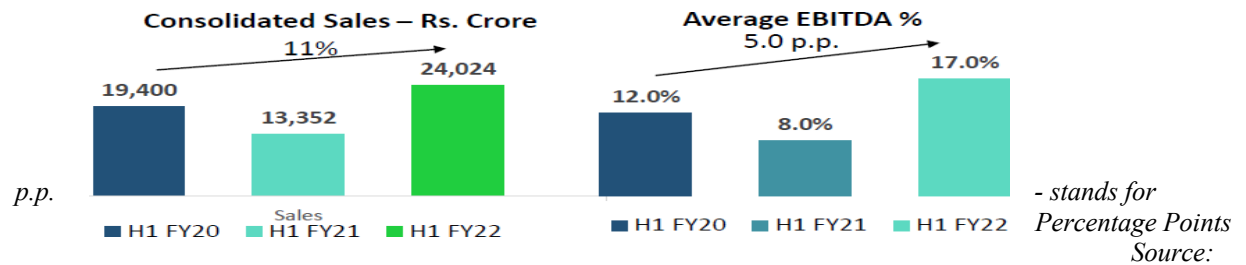


**INFERENCE:**

- 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.

**CONSOLIDATED ANALYSIS**

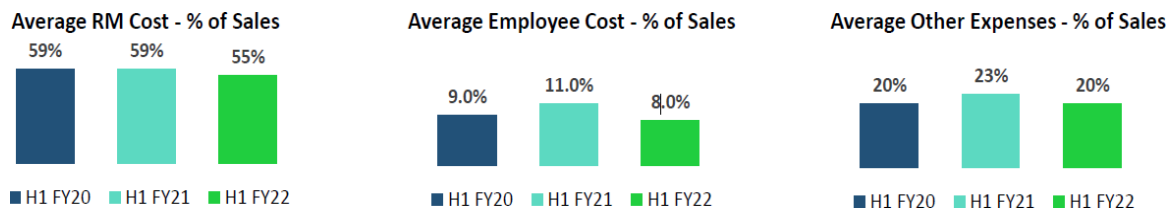
Consolidated Analysis for the Selected Top Players as follows:



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.



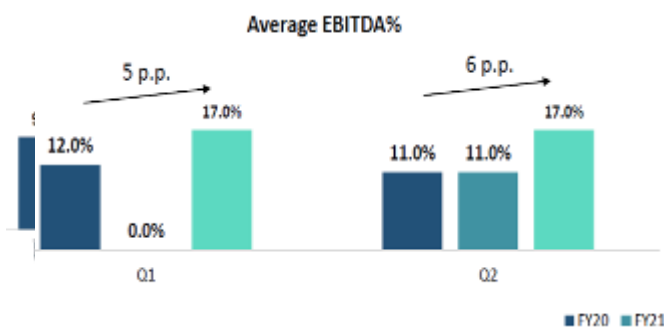
Source: Wazir Advisors H1 FY 2022

**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.

**CONSOLIDATED SALES FROM FY 20-FY22**

Consolidated sales and EBITA of Textile Industries in the year 2020-202 as follows:



Source: Money Control

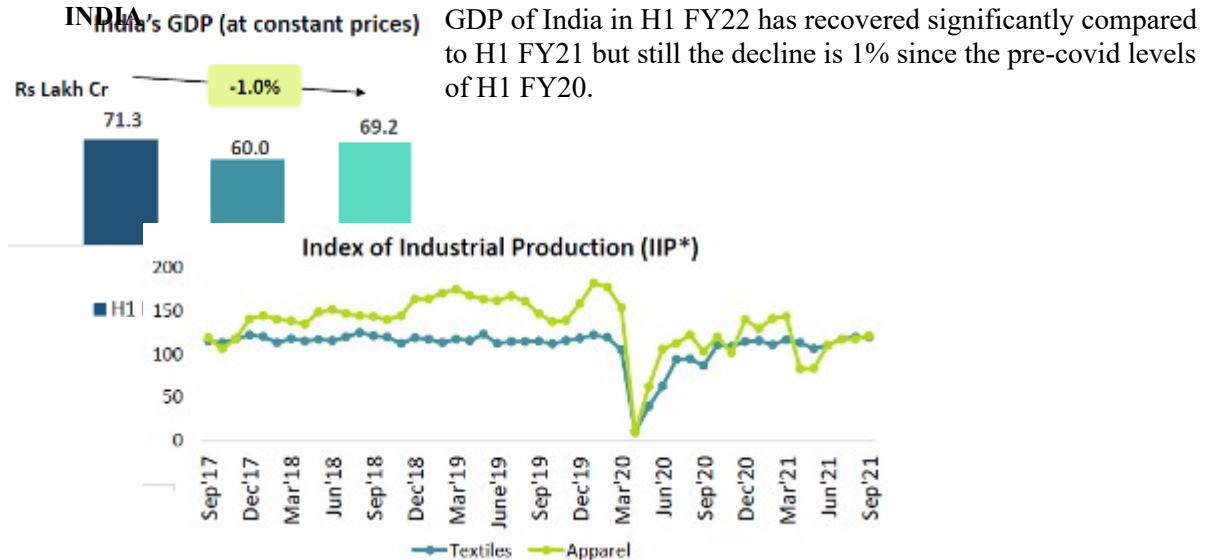
**INFERENCE:**

- 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.

**KEY ECONOMIC INDICATORS**

**GDP STABILITY IN**

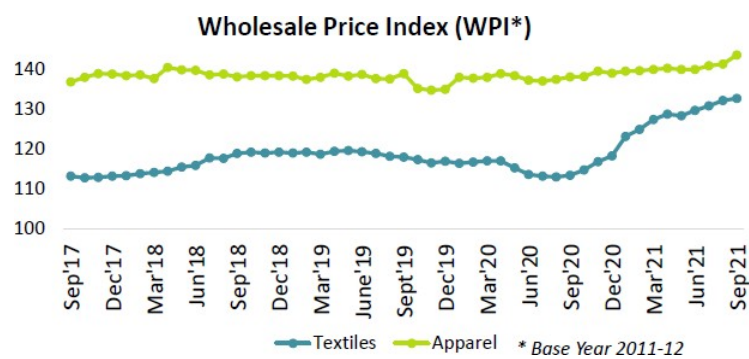
**INDIA**



GDP of India in H1 FY22 has recovered significantly compared to H1 FY21 but still the decline is 1% since the pre-covid levels of H1 FY20.

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.



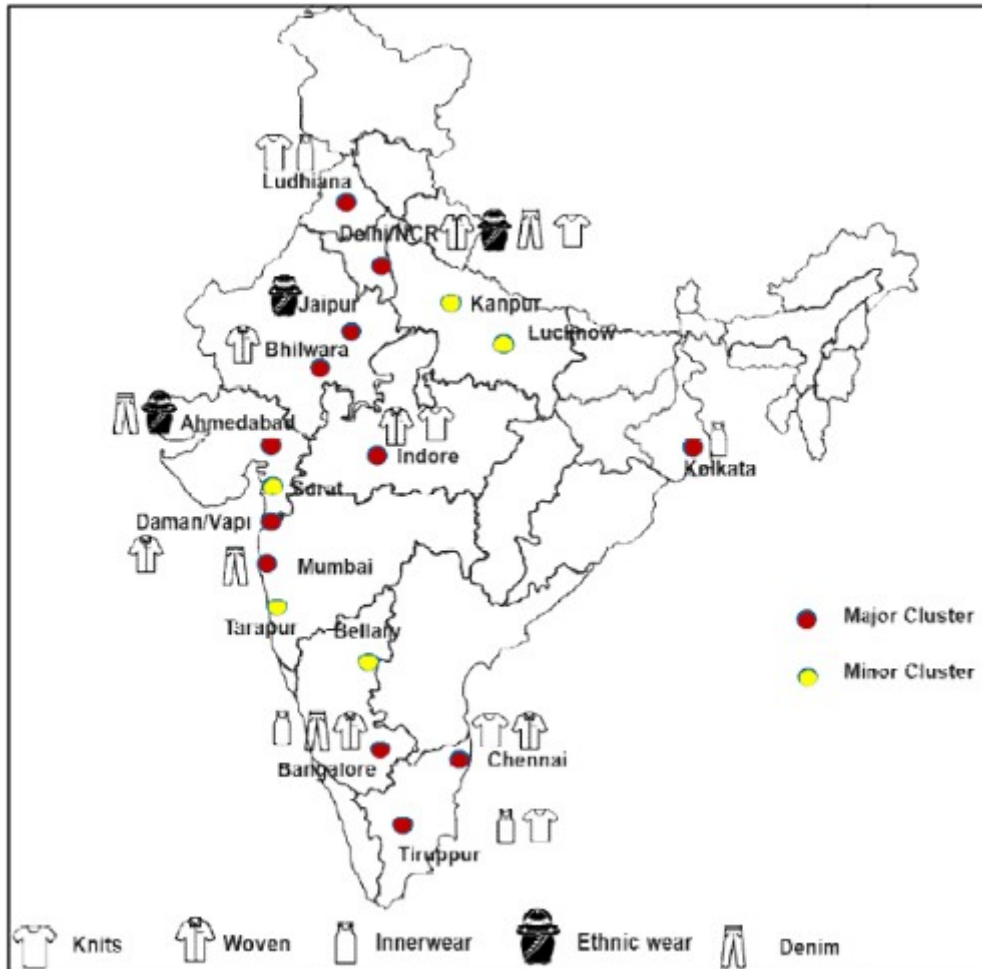
- Average WPI for textiles increased by 5% and apparel increased marginally by 1% each in H1 FY22 as compared to H1 FY20.

**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.

- **GARMENT MANUFACTURING CLUSTERS IN INDIA**

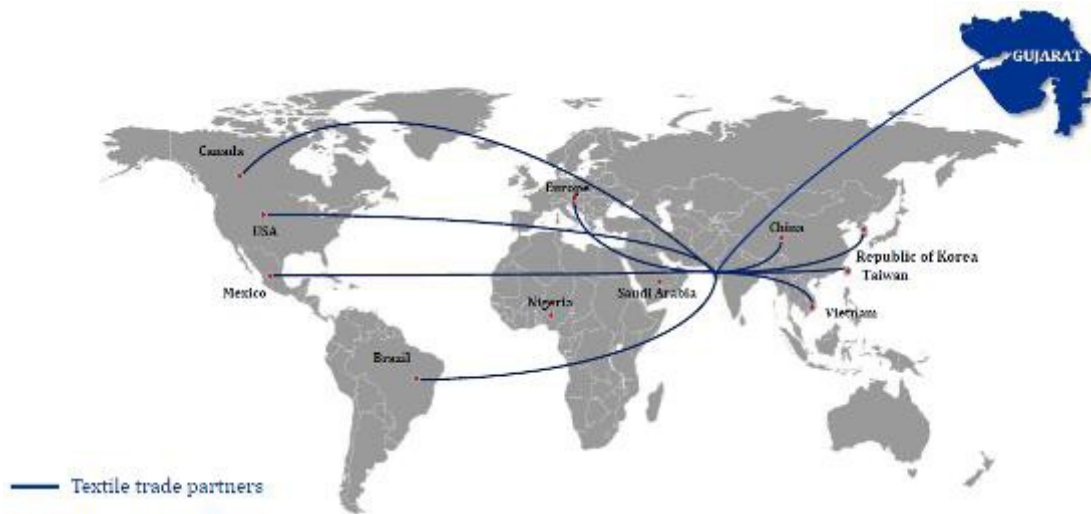
The Indian garment manufacturing industry is 60-70% unorganized which is characterized by MSME units operating in specific clusters across the country. The organized part of the industry is dominated by export oriented garment manufacturing units.



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.

- **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.

- **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, Ghaghras, 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.

- **PRESENT STATUS OF READY-MADE GARMENTS IN GUJARAT**

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

- (i) 30% of India's woven fabric production is accounted by Gujarat.
- (ii) Ahmedabad & Surat are home to Textiles & Apparel industry of Gujarat.
- (iii) Aarve Denims & Arvind Ltd are the key players producing apparel products in Ahmedabad, Gujarat.
- (iv) 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.
- (v) There are 28 Industrial Training Institute in the state which provides training courses on Garments
- (vi) Equipped Skill development infrastructure & raw material supplier poses a huge potential for apparel industry in Gujarat

- **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.

- (i) Trousers
- (ii) Shirts
- (iii) Denims
- (iv) T-Shirts
- (v) Nightwear

- **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
<b>Total</b>		<b>100.0</b>

*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.

- **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 MMPA to 120 MMPA. Though the market is currently dominated by menswear, other segments are also catching up fast, with ladies wear becoming a focus domain.

• **DRIVING FACTORS FOR DENIM MARKET**

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

- (i) An aspiration youth (15 to 29 year olds) with higher spending power than previous generations, which make 26% of the consuming population.
- (ii) A wide range of consumer segment that consider denim as an apparel of choice owing to its comfort and style
- (iii) Favoured preference for denim amongst youth owing to its versatile association
- (iv) 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.

• **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.

• **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 gives fierce competition in low price garment market.

- **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:

- **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:

<b>INDIA'S RMG EXPORT TO WORLD</b>							
<b>Month</b>	<b>(In US\$ Mn.)</b>			<b>MoM Growth (%)</b>			
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2021-22</b>
				<b>Over</b>	<b>Over</b>	<b>Over</b>	<b>Over</b>
				<b>2018-19</b>	<b>2019-20</b>	<b>2019-20</b>	<b>2020-21</b>
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		
<b>Total</b>	<b>15509.5</b>	<b>12287.2</b>	<b>14278.0</b>	<b>-4.0</b>	<b>-20.8</b>	<b>-1.8</b>	<b>31.5</b>

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.

- **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.

<b>USA'S RMG IMPORT FROM WORLD AND INDIA</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>% Change</b>
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.

- TOP RMG SUPPLIER TO USA**

<b>TOP RMG SUPPLIER TO USA AND INDIA'S POSITION</b>			
S. No	Countries	Imported value in 2021 (in USD mn)	% Share
		<b>World</b>	<b>87347.5</b>
1.	China	22002.5	25.2
2.	Vietnam	15106.5	17.3
3.	Bangladesh	7289.1	8.3
<b>4.</b>	<b>India</b>	<b>4497.3</b>	<b>5.1</b>
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.

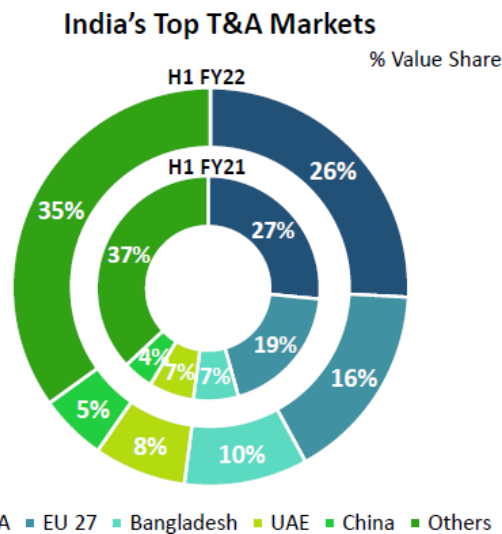
- INDIA'S OVERALL T&A\* EXPORTS**

**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%
<b>Total</b>	<b>8,704</b>	<b>3,856</b>	<b>9,700</b>	<b>6%</b>	<b>8095</b>	<b>8,044</b>	<b>10,680</b>	<b>15%</b>	<b>16,799</b>	<b>11,900</b>	<b>20,380</b>	<b>10%</b>

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.

• **INDIA'S OVERALL T&A\* IMPORTS**

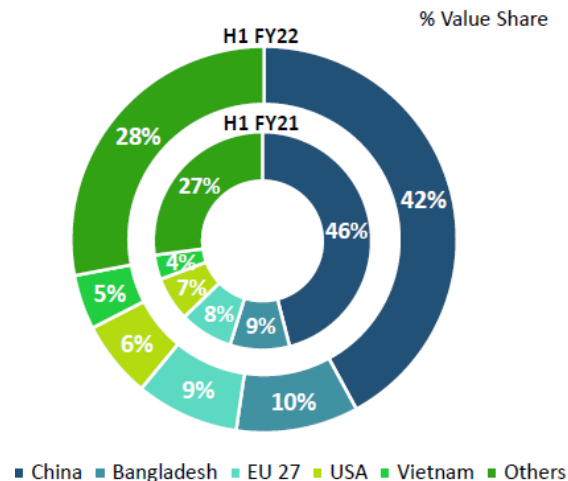
**India's Textile & Apparel Imports (Values in US\$ Million)**

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%
<b>Total</b>	<b>1,985</b>	<b>1,010</b>	<b>1,786</b>	<b>-5%</b>	<b>2,616</b>	<b>1,247</b>	<b>1,972</b>	<b>-13%</b>	<b>4,602</b>	<b>2,257</b>	<b>3,758</b>	<b>-10%</b>

Note: \* Textile & Apparel

Source: DGCI&S

### India's Top T&A Import Markets



#### 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, Vaxtex 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.

- **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 CEPTs 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**

S. No:	Incentive Type	Eligibility Criteria/Description	Incentive Detail															
1.	Interest Subsidy	<p>The scheme will be known as financial assistance by way of credit linked Interest Subsidy for eligible activities.</p> <p>(i) Weaving, including preparatory (excluding Woven Sacks)</p> <p>(ii) Knitting</p> <p>(iii) Dyeing and/or Printing (Processing)</p> <p>(iv) Machine Carpeting</p> <p>(v) Technical Textile (excluding woven sacks in any form of packtech)</p> <p>(vi) Made-ups (Made-ups means an article manufactured and/or stitched from any type of cloth, but does not include garment)</p> <p>(vii) In case of composite unit, activities excluding ginning, spinning, garments and apparel</p> <p>(viii) All other activities of Textile value chain - Crimping, Twisting, Texturizing, Thread, Sizing, Winding, Machine Embroidery.</p>	<table border="1"> <thead> <tr> <th>Category</th> <th>No. of Employees</th> <th>Interest Subsidy</th> </tr> </thead> <tbody> <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> </tbody> </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%																
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	Providing direct employment to more than 200 and up to 500 persons	5%																
	Providing direct employment to more than 500 persons	6%																
2.	Incentive in Power Tariff and Electricity Duty	<p>(i) 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</p> <p>(ii) 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</p>	<p>(i) 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</p> <p>(ii) Other Eligible Activities Rs. 2 per billed unit (kwh) to enterprise having either LT connection or HT connection</p> <p>(iii) 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</p> <p>(iv) An enterprise that purchases electricity from a licensee utility only will be eligible for power tariff subsidy</p> <p>(v) The enterprise having renewable power generation tor captive consumption can avail power tariff subsidy for the balance electricity consumption from the licensee utility</p>															

## **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

- **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/Losses	Net Profit Margin	Operating Revenue	Expenses	Tax & Other Expenses	Net Profit/Losses	Net Profit Margin	Operating Revenue	Expenses	Tax & Other Expenses	Net Profit/Losses	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	<b>31.40%</b>
2.	KPR Mill Limited	293,453	356,626	490,970	<b>29.35%</b>
3.	Arvind Limited	678,547	515,457	808,428	<b>9.15%</b>

*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.
- **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:

Company Names	Standalone/Consolidated (In Lakhs)									
	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.

• **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, Bhillad, 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.,

- **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
<b>Total Market share (in value)</b>		<b>43.70</b>

*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.

- **SWOT ANALYSIS**

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

- **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:

- 5 **Flexible Labour Market:** This sector in particular needs an abundance of manpower. However, in Asia, the price of labour is very low.
- 6 **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.
- 7 **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.
- 8 **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.
- 9 **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.
- 10 **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.
- 11 **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.
- 12 **Flexibility:** The small size of manufacturing which is predominant in the apparel industry allows for greater flexibility to service smaller and specialized orders.
- 13 **Domestic market:** Natural demand drivers including rising income levels, increasing urbanization and growth of the purchasing population drive domestic demand.
- 14 No seasonal sales in the apparel Industry. Festive season changes the market into more profitable.
- 15 Online shopping reduces customers time, convenience, timely delivery, etc.,

- **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:



- 16 **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.
- 17 **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.
- 18 **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.
- 19 **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.
- 20 High cost of dyes and chemicals and inefficient pricing profile
- 21 Unhealthy price competition

• **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:

- 22 **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.
- 23 **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.
- 24 **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.
- 25 **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.
- 26 **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.
- 27 Market establishing "showroom" objects
- 28 Making e-mail catalog – Value of labor

• **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:

- 29 **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.
- 30 **High making cost:** The making cost for this industry is quite high and very hard to achieve. So this makes having profit very hard.
- 31 **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.
- 32 **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.
- 33 **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.
- 34 **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 result 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 2020, 2021, 2022, is based on our Restated Consolidated Summary Statements included in this Draft 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 purpose of confirming our understanding of the industry in connection with the Offer. For more information, see “Risk Factors – This Draft 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 purpose 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](http://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](http://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.

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 market of Ahmedabad and outsources its job work to the Manufacturers at Ahmedabad, Mumbai, NewDelhi, 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, 31<sup>st</sup> March 2022 and Fiscal 2021 and 2020, our revenue from operations was ₹ 10847.87 lakh,, ₹ 1232.89 lakh, ₹ 680.76 lakh respectively and our restated total profit after Tax for the period/ year was ₹ 63.77 lakh, ₹ 30.36 lakh, Rs 0.47 lakh respectively. Our EBITDA was Rs 115.10 lakh , Rs 46.01 lakh, Rs 2.58 lakh for the Fiscals 2022, 2021 2020. Our EBITDA Margin (EBITDA as a percentage of our total income) was 1.07%, 3.73%, 0.38%.

#### Our Company operates under the following segments: (Rs In Lacs)

Particular	2022	%	2021	%	2020	%
<b>Fabrics trading</b>	<b>8274,47</b>	<b>67.25</b>	<b>763,41</b>	<b>61.92</b>	<b>559.73</b>	<b>82.22</b>
<b>Sale of Garments :</b>						
<b>Wholesale</b>	<b>2215.67</b>	<b>20.52</b>	<b>311.76</b>	<b>25.29</b>	<b>89.85</b>	<b>13.20</b>
<b>Retail – EBO,LFS,SIS,MBO</b>	<b>1120.67</b>	<b>10.36</b>	<b>76.92</b>	<b>6.24</b>	<b>31.17</b>	<b>4.58</b>
<b>Online marketplace</b>	<b>18.99</b>	<b>0.18</b>				
<b>Website and app</b>	<b>132.67</b>	<b>1.23</b>				
<b>Other Wholesale</b>	<b>33.35</b>	<b>0.31</b>	<b>80.80</b>	<b>6.55</b>		

<b>Total</b>	<b>10795.82</b>	<b>100.00</b>	<b>1232.89</b>	<b>100.00</b>	<b>680.76</b>	<b>100.00</b>
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Our Company operates its retail EBO and MBO stores through various business models like FOFO.FOCO,COCO and SiS. The company deals into Products like Shirts, denims, T-shirts, Shorts, Boxers, Cotton pants, trousers, Pyjama, Fabrics etc.

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 B2Bapp.

**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



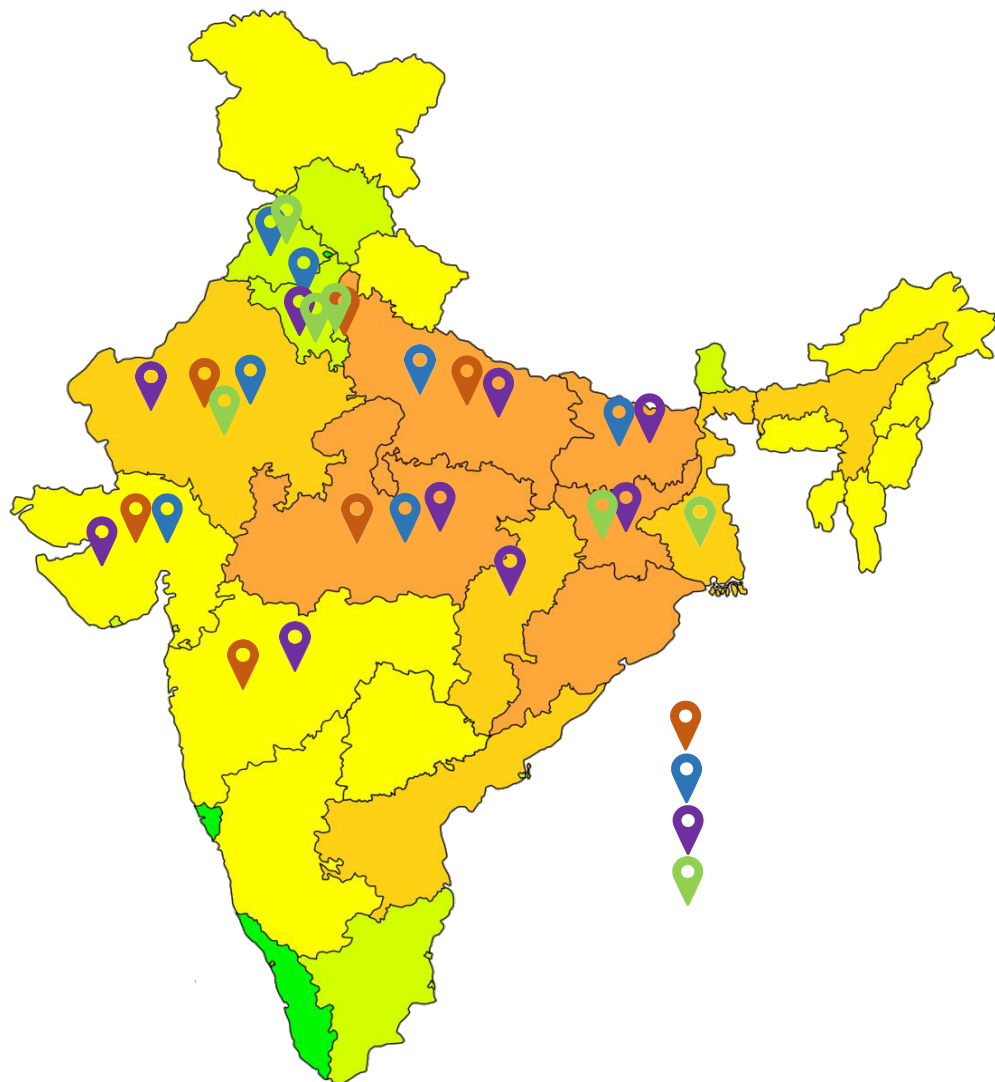
Shirts

Our products are available through a pan-India multichannel distribution network that we have built over the years compris in go four exclusive brand outlets ("**EBOs**"), multi-brand outlets ("**MBOs**")and shop-in-shop stores ("**SiS**"),aswell 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 2022 respectively.



The table below sets out the geographical spread of our EBOs, as on May, 2022:

Region	COCO	FOCO	FOCO 2	FOFO	SiS & Others
Central	-	-	1	6	
East	-	-	-	13	
West	-	11	9	15	1
North	-	2	3	20	4
South	-	-	-	-	-
<b>Total</b>	-	<b>13</b>	<b>13</b>	<b>54</b>	<b>5</b>

*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 May 31<sup>st</sup>, 2022:

Region	COCO	FOCO	FOCO-2	FOFO
Tier I Cities	-	5	6	7
Tier II Cities	(ii)	7	5	39
Tier III Cities	-	1	2	8
Tier IV Cities	-	-	-	-
<b>Total</b>		<b>13</b>	<b>13</b>	<b>54</b>

*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](http://www.barcelonaclub.in) and B2B Mobile Application i.e. Barcelona for 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](http://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.

(ix) yet to start business operations

<b>Brand</b>	<b>May,2022</b>		<b>March,2022</b>		<b>March'21</b>	
<b>outlets</b>	<b>States</b>	<b>N.o of stores</b>	<b>States</b>	<b>N.o of stores</b>	<b>States</b>	<b>N.o of stores</b>
<b>Barcelona</b>	<b>13</b>	<b>83</b>	<b>14</b>	<b>78</b>	<b>7</b>	<b>24</b>
<b>Tridhya</b>			<b>1</b>	<b>1</b>		
<b>Brand Club</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>		

The Table sets Below Brand wise Store outlets of the Company.

<b>Brand</b>	<b>Product Portfolio</b>	<b>Log o</b>
Barcelona	Shirts, denims, T-shirts, Shorts, Boxers, , Cotton pants, trousers,	 <p>BARCELONA DENIMS   SHIRTS   TROUSERS</p>
Vaxlife*	Readymade Garments	 <p><b>VAXLife</b></p>
Brand Club	Men's wear, women's wear, kids wear	 <p><b>BRAND CLUB</b></p>
Tridhya	Leggings, Kurtis, tops, shirts, denims, pallazo, dresses and such other women's wear	 <p>Tridhya</p>



**Brand Wise Revenue Break UP (ALL figures are in Lacs)**

<b>Particular</b>	<b>2022</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>2020</b>	<b>%</b>
<b>Barcelona</b>	<b>3499.33</b>	<b>32.35</b>	<b>387.87</b>	<b>31.46</b>	<b>121.02</b>	<b>17.78</b>
<b>Brand Club:</b>	<b>7,14</b>	<b>0.07</b>				
<b>Tridhya</b>	<b>2.75</b>	<b>0.03</b>				
<b>VaxLife</b>						
<b>Total :</b>	<b>3509.22</b>	<b>32.35</b>				

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.

### **SonuSood as the new style icon for our Brand “Barcelona”**

Pursuant to the MOU dated 23<sup>rd</sup> June, 2022, the Company has collaborated with SonuSood, a talented actor and humanitarian who believes in philanthropy and has a strong prowess in the field of acting. The actor will be seen endorsing the brand's range of products across media platforms for its campaign.

We believe that our association with SonuSood will give the consumers a greater sense of objective on strength, trust and dependability.

This collaboration will be pivotal for the brand to achieve its milestone of becoming a recognised Menswear company and be the affordable fashion brand for young India. The brand plans to launch a 360-degree digital national campaign with the Bollywood icon to headline its pan-India expansion.

Combining the magic of SonuSood with our extensive portfolio expansion, we are supercharging our growth trajectory and aiming to capture the lion's share of Menswear market."

### **Expansion agreement with Khadim India Ltd, top footwear retailer in India**

As part of scaling operations, the Company has also entered in expansion agreement with Khadim India Ltd, top footwear retailer in India

The two giant brands Barcelona in apparel category and Khadim in footwear category have come together for the economy consumer of India.

This collaboration gives our Brand “Barcelona” an access to a larger millennial customer base and is big step towards serving the customers PAN India with high-end fashion products at a very affordable and economical pricing.

The Companies will support each other in cross marketing and scale its operations by opening joint stores with footwear and apparel category in 1200-1500 sqft mostly in tier 1 and 2 cities. Additionally Khadim Footwear shall be placed in Barcelona stores.

## 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).

#### **Franchisee Owned Company Operated Stores (FOCO):**

There are franchise stores that are managed and funded by the Company. The Company directly pays the lease rentals and other expenses such as Staff salary, Electricity bill and other store operational expenses. The Franchise invests and owns the furniture and fixtures of such stores. The franchise also deposits a security deposit in the company for stock, whereas the stock is owned by the company. This stores are completely managed by company person only. The Franchisee charge 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 <sup>1</sup>
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

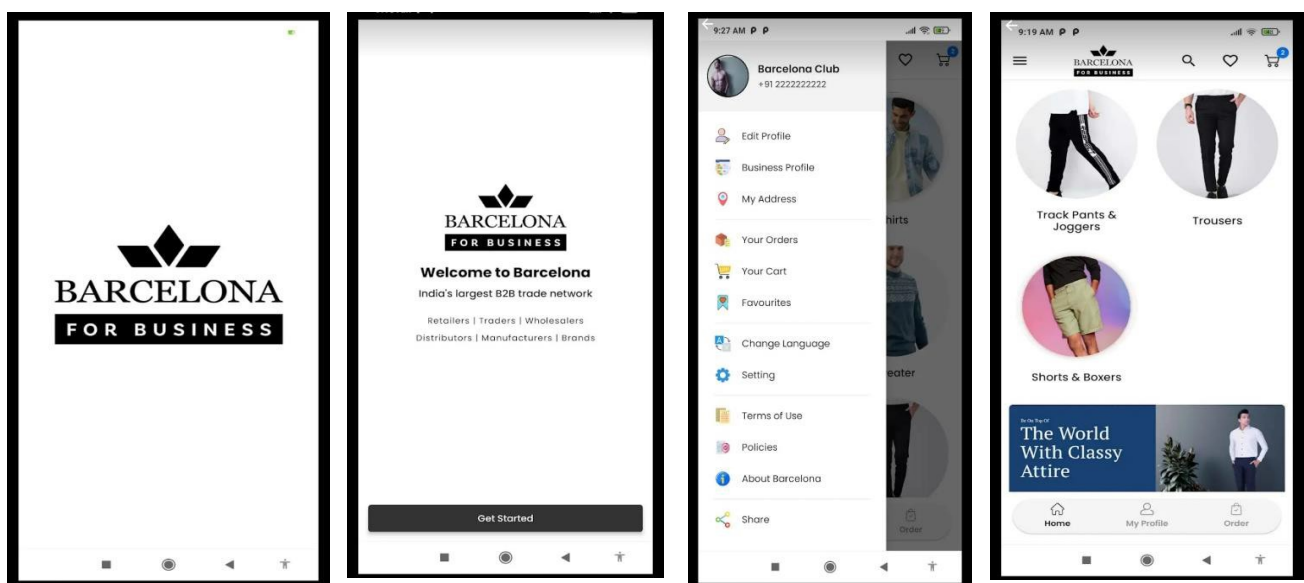


## BARCELONA

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:

Portals	Fiscal 2022	% of Total Revenue	Fiscal 2021	% of Total Revenue	Fiscal 2020	% of Total Revenue	Fiscal 2019	% of Total Revenue
Online Marketplace			(₹ in lakh)		(₹ in lakh)		(₹ in lakh)	
- Flipkart	1.38	0.01	-	-	-	-	-	-
- Amazon	-	-	-	-	-	-	-	-
- Meesho	0.11	0.001	-	-	-	-	-	-
Barcelona Website	35.90	0.33	-	-	-	-	-	-

i.e.

[www.barcelonaclub.com](http://www.barcelonaclub.com)

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[b.in](#)

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Mobile B2B Application	95.28	0.88	-	-	-	-	-	-
<b>Total</b>	<b>132.67</b>	<b>1.23</b>	-	-	-	-	-	-

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**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 class25.

**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 May 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.

### **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 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 over seen the development of our business strategy and has extensive expertise in sourcing, designing, retailing and establishing distribution channe 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 government and local administrations. The lifting of the lockdown 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,

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.

### **Our Customers**

The following is the breakup of the top ten customers/suppliers of our Company for the Fiscal 2022, 2021 and 2020 are as follows:

(₹ In lakh)

Particulars*	FY2021-22		FY 2020-21		FY 2019-2020	
	Amount	In %	Amount	In %	Amount	In %
<b>Customers</b>						
Top 5 Customers	6799.18	62.98	944.95	76.65	211.11	69.46
Top 10 Customers	8781.08	81.34	1083.17	92.94	632.68	92.94
<b>Suppliers</b>						
Top 5 Suppliers	9725.73	87.06	746.61	59.00	664.32	92.40
Top 10 Suppliers	10121.54	90.60	806.23	63.71	685.06	95.29

*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. Our products designs 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 WISE SALES**

Product	Quantity	Fiscal 2022 (₹ in lakh)	Quantity	Fiscal 2021 (₹ in lakh)	Quantity	Fiscal 2020 (₹ in lakh)	Quantity
Fabric (in meters)	3,907,976	7274.47	5,50,049	763.41	5,47,203	559.73	1,81,940
Denim Pants (in nos.)	1,32,846	1583.36	32,986	139.81	10,977	47.2	10,302
Men's Shirts (in nos.)	1,89,622	1162.61	35,400	95.59	8,645	24.2	10,189
Men's T-Shirts (in nos.)	1,10,800	389.52	16,622	38.23	7,564	18.15	4,397
Formal/Casual Pants	20,782	373.73	11,214	42.06	5,030	19.36	4,987
Accessories & Other (in nos.)	-	33.35		73.49		12.09	
<b>Total</b>		<b>10,817.04</b>		<b>1,152.09</b>		<b>680.73</b>	

**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

Particular	May“2022	March ‘ 2022	March 2021
New store opened	12	71	22



during the financial year			
Stores closed	3	11	2
Total stores	85	76	24
Total cities	67	67	20
Avg store area.	712 sq.ft	699 sq.ft	623 sq.ft

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**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 reduction 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 apart 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**

- B. Established operations and proven track record
- C. Quality Assurance and Standards
- D. Experienced Management Team
- E. Satisfied customer with quality and service
- F. Smooth flow of operations
- G. 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**

- H. Growing acceptance by consumers
- I. Rise in demands
- J. Opportunities in Indian Market
- K. Government Initiatives
- L. Investment Opportunities

**Threats**

- Increase Competition from Big Players
- Change in Government Policies
- Rising labor 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 March 31<sup>st</sup>, 2022, our top 10 suppliers contributed to 90.06% 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 to 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 centralized warehouse, undergoes 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, LFS and MBOs and the online channel.

### ***Design and Merchandising***

***In house 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 fulfills:

- 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.

### ***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.

### ***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 offabric.

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 in ward 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.

<b>Fiscal 2022 (₹ in lakh)</b>	<b>Fiscal 2021 (₹ in lakh)</b>	<b>Fiscal 2020 (₹ in lakh)</b>
1906.57	379.38	210.50

### ***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 unorganized 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 ₹ 47.72 lakh, ₹ 3.69 lakh, ₹ 7.76 lakh and ₹ comprising 4.28%, 0.30%, 1.14% for March 31, 2022, for the financial period ended March 31, 2021, March 31, 2020 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, the se efforts are used by us in conjunction with traditional advertising formats like radio, television, and print media.

*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 trade shows 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.

*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 herebelow:

As on May'2022

<b>Departments</b>	<b>No. of Employees</b>
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
<b>Tota</b>	<b>177</b>
<b>I</b>	

The management of Stitched Textiles Limited plays an imperative role in developing a cordial and rewarding relationship with its employees. Wear ecommitted 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***






**BARCELONA**

<b>Policy No</b>	<b>Type of Policy</b>	<b>Policy Period</b>	<b>Nature of Coverage</b>	<b>Policy Issuing Office</b>	<b>Total Sum Assured</b>
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	 <b>VAXLife</b>	26	Device	Stitched Textiles Limited	5359026	07/03/2022	Objected
5	 <b>VAXLite</b>	35	Device	Stitched Textiles Limited	5359027	07/03/2022	Objected



6		42	Device	Stitch edTex tiles Limite d	5359028	07/03/202 2	Objected
7		25	Device	Stitch edTex tiles Privat e Limite d	5069793	02/08/202 1	Register ed on 23/02/20 22 & Valid till 02/08/20 31
8		25	Device	Stitch edTex tiles Privat e Limite d	4734500	06/11/202 0	Register ed on 06/05/20 21 & Valid till 06/11/20 30
9		25	Device	Stitch edTex tiles Privat e Limite d	4734499	06/11/202 0	Register ed on 27/06/20 21 & Valid till

Sr. No.	Logo	Classes	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
10	BRAND CLUB	35	Device	Stitched Textiles Private	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 measuring about 372sq.mtr. or thereabouts now given in Final Plot No. 4/9 in Draft Town Planning Scheme No. 27 and Flat No. 1 on 1 <sup>st</sup> Floor, with construction measuring about 141.28 sq.mtr. Flat No. 3 on 3 <sup>rd</sup> Floor with construction measuring about 141.28 sq.mtr. and Flat No. 4 on 4 <sup>th</sup> Floor with construction measuring total 565.12sq.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 measuring 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 a tour 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 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 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;

(vi) 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, (v) 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 enforce ability 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 was later 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**

<b>Date</b>	<b>Details of Registered Office</b>	<b>Reason for Change</b>
<i>At Incorporation</i>	<i>21, D-Block, Galaxy Towers, Opp. Century, Nr. Judges Bunglow, Bodakdev, Ahmedabad - 380054, Gujarat</i>	<i>---</i> <i>-</i>
<i>August 16, 2019</i>	<i>406, Addor Aspire Co. Comm. Ser. Soc. Ltd., Nr. Jahanvee Restaurant, Panjrapole Road, Ahmedabad - 380015, Gujarat</i>	<i>For Business Convenience</i>
<i>November 20, 2021</i>	<i>1202, Addor Aspire, Nr. Jahanvee Road, University to Panjrapole Road, Ahmedabad</i>	<i>For Business</i>



	- 380015, Gujarat	Convenience
June 01, 2022	1 <sup>st</sup> 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, boilers, 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:

<b>Date of Amendment / Shareholders' Resolution</b>	<b>Nature of Amendment</b>
November 30, 2020	<i>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.</i>





<i>September 01, 2021</i>	<i>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.</i>
<i>November 20, 2021</i>	<i>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.</i>
<i>February 17, 2022</i>	<i>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</i>
<i>May 12, 2022</i>	<i>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.</i>

**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:

<b>Fiscal Year</b>	<b>Details</b>
<i>2015</i>	<ul style="list-style-type: none"> <li><i>Started as a One Person Company in the name of “Stitched Textiles (OPC) Private Limited</i></li> </ul>
<i>2019</i>	<ul style="list-style-type: none"> <li><i>The Company launched its first BARCELONA store in Ahmedabad/Gandhinagar, Gujarat</i></li> </ul>
<i>2020</i>	<ul style="list-style-type: none"> <li><i>The Company Opened 5 EBOs out of which 1 EBO closed during the year</i></li> </ul>
<i>2021</i>	<ul style="list-style-type: none"> <li><i>The Company opened 22 EBOs out of which 2 EBOs closed during the year</i></li> <li><i>The Company launched its online e-commerce portal i.e. <a href="http://www.barcelonaclub.in">www.barcelonaclub.in</a></i></li> <li><i>The Company achieved 40,000 customer base</i></li> <li><i>Registration on e-commerce platforms like Meesho, Amazon and Flipkart</i></li> </ul>
<i>2022</i>	<ul style="list-style-type: none"> <li><i>Launch of BARCELONA B2B App for retailers</i></li> <li><i>The Company opened 70 EBOs out of which 18 closed during the year</i></li> </ul>

<b>Fiscal Year</b>	<b>Details</b>
<b>2022</b>	<ul style="list-style-type: none"> <li data-bbox="403 371 1366 450">• <i>Our Company has been moved to its new Registered Office consisting of 16,000 sq. ft.</i></li> <li data-bbox="403 495 1410 573">• <i>BARCELONA B2B App secured 2000 orders and 5 000 active users</i></li> <li data-bbox="403 580 1453 663">• <i>The Company opened 12 stores as on May 31, 2022 out of which 3 stores closed during the year</i></li> </ul>

### **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 Physical 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 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 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 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 Prospectus, our Company does not have a holding company.

### **Joint Ventures of our Company**

As on the date of this Draft Prospectus, our Company does not have any joint ventures.

### **Subsidiaries of our Company**

As on the date of this Draft 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 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 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 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

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 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 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 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 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 Prospectus.

## OUR MANAGEMENT

Under the Articles of Association, our Company is authorized to have a minimum of 3 (three) Directors and a maximum of up to 15 (fifteen) Directors. As on the date of this Draft 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 Prospectus:

Name	Designation	DIN	Age
Jaimin Kailash Gupta	Managing Director	06833388	27 Years
Chetan Kumar Ojha	Non-Executive Director	09706197	38 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
<b>1.</b>	Name of the Director	<b>Mr. Jaimin Kailash Gupta</b>
	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	(iii) Viru Retail Private Limited (iv) Brand Cluster LLP

Sl. No.	Particulars	Details
<b>2.</b>	Name of the Director	<b>Mr. Chetan Kumar Ojha</b>
	Father's Name	Mr. Bheemashankar Ojha
	Residential Address	E/202, Purushottam Nagar, Near Pink City, Ranip, Ahmedabad – 382480, Gujarat
	Date of Birth	July 21, 1984
	Age	38 Years
	Designation	Non-Executive Non-Independent Director
	DIN	09706197
	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	August 17, 2022
	Terms of Appointment	5 (five) years w.e.f. August 17, 2022 (Liable to retire by rotation)
	Directorship/Designated Partner in other companies/LLP	Nil

Sl. No.	Particulars	Details
<b>3.</b>	Name of the Director	<b>Ms. Yesha Aagam Shah</b>
	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	(x) Shangar Décor Limited • Pervasive Commodities Limited

Sl. No.	Particulars	Details
<b>5.</b>	Name of the Director	<b>Mr. Rushabh Anilkumar Shah</b>
	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	(iii) Hindprakash Industries Limited • Yash Chemex Limited

Sl. No.	Particulars	Details
6.	Name of the Director	<b>Ms. Premaram Jaitaram Patel</b>
	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.

**Mr. Chetan Kumar Ojha**, aged 38 years, is the Non-Executive Director of our Company. He has been on the Board of Directors of our Company since August 17, 2022. He holds a Bachelor's Degree in Arts from Mohan Lal Sukhadia University. Also he has completed PGDPA Program from Institute of Chartered Accountants Financial Analyst of India. He holds a rich experience of over and above 12 years in the field of Sales and Marketing.

**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 Regulation 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**

- (i) 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 Prospectus with the SEBI, during the term of his/ her directorship in such company.
- (ii) 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.
- (iii) Mr. Jaimin Kailash Gupta was included in the list of wilful defaulter 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) 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.
- (v) 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**

None of our Directors are related to each other:

**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**

**(ii) 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:**

#### *(ii) Remuneration of our Managing Director and Executive Directors*

<b>Sl. No.</b>	<b>Name of Director</b>	<b>Remuneration (₹ in lakh)</b>
1.	Jaimin Kailash Gupta	6.00

#### *(iii) Remuneration of our Non-Executive Directors*

<b>Sl. No.</b>	<b>Name of Director</b>	<b>Remuneration (₹ in lakh)</b>
1.	Chetan Kumar Ojha	Nil

#### *(iv) 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 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 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 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 Prospectus is set forth below:

• Jaimin Kailash Gupta	4,91,88,670	81.32%
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**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.

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
Chetan Kumar Ojha	August 17, 2022	Appointed as Non-Executive Director
KreshaKailash Gupta	August 17, 2022	Resignation u/s 168 due to personal reason
KreshaKailash Gupta	June 15, 2022	Appointed as Non-Executive Director
TarachandGangasahay Agrawal	June 15, 2022	Resignation u/s 168 due to personal reason
Raj ArjanbhaiAhir	April 23, 2022	Resignation u/s 168 due to personal reason
YeshaAagam Shah	March 01, 2022	Appointed as Independent Director
PremaramJaitaram Patel	March 01, 2022	Appointed as Independent Director
JaiminKailash Gupta	January 24, 2022	Designated as Managing Director
RushabhAnilkumar Shah	January 24, 2022	Designated as Independent Director
Raj ArjanbhaiAhir	January 24, 2022	Designated as Non-Executive Director
RushabhAnilkumar Shah	December 14, 2021	Appointed as Additional Independent Director
Raj ArjanbhaiAhir	December 14, 2021	Appointed as Additional Director
TarachandGangasahay Agrawal	September 12, 2019	Designated as Non-Executive Director
TarachandGangasahay 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 September 19, 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;

#### **M. 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: -

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Yesha Aagam Shah	Chairperson	Non-Executive Independent Director
Premaram Jaitaram Patel	Member	Non-Executive Independent Director
Chetan Kumar Ojha	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.

#### **• 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.

#### **• 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 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 thereon;
- 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.

#### **N. 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:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Premaram Jaitaram Patel	Chairman	Non-Executive Independent Director
Rushabh Anilkumar Shah	Member	Non-Executive Independent Director
Chetan Kumar Ojha	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 director present.

#### **O. 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
Chetan Kumar Ojha	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:

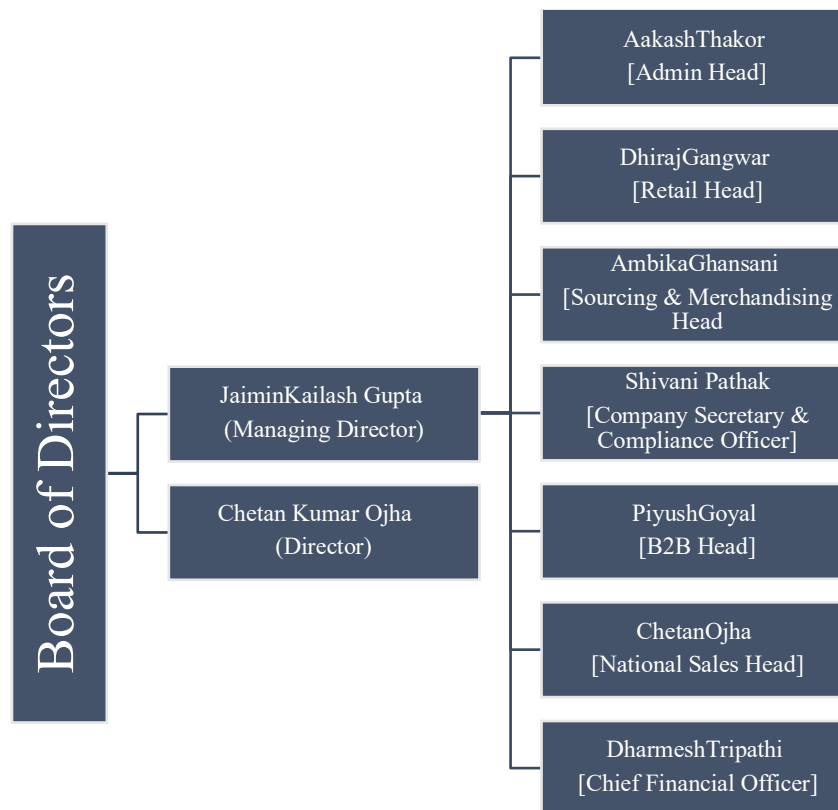
- 35 Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- 36 Review of measures taken for effective exercise of voting rights by shareholders;
- 37 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;
- 38 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
- 39 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 7NRR 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	JaiminKailash Gupta	4,91,88,670	81.32%
2	DharmeshTripathi	22,500	0.04%
<b>Total</b>		<b>4,92,11,170</b>	<b>81.36%</b>

**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 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 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 Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of Change</b>	<b>Reason</b>
JaiminKailash Gupta	Managing Director	January 24, 2022	Change in Designation
DharmeshTripathi	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 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 Prospectus.

## OUR PROMOTER AND PROMOTER GROUP

The Promoter of our Company is Jaimin Kailash Gupta. As on the date of this Draft Prospectus, our Promoter holds, in aggregate of 4,91,88,670 Equity Shares, constituting 81.32% of the Company's pre issued, subscribed and paid-up equity share capital. 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 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 Prospectus.

Date of Birth: January 03, 1995

Permanent Account Number: BHDPG4108C

Address: 28, Sahjanand Palace, Taltej, Behind Sindhuhavan, Ahmedabad – 380054, Gujarat

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*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 Prospectus.*

### 2. Details of Corporate Promoter of our Company

The Company does not have any body Corporate Promoters as on date.

### Change in Control of our Company

Our Promoter has incorporated the said Company as an OPC and since has the sole control leading to not having any change during the five years immediately preceding this Draft 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 Prospectus.

**Interests of our Promoters:**

Our Promoter is interested in our Company to the extent that he is the Promoter of our Company and to the extent of his respective shareholding in our Company, directly or indirectly along with that of his relatives, his directorship in our Company and the dividends payable, if any, and any other distributions in respect of his respective shareholding in our Company or the shareholding of his relatives in our Company, from time to time. 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 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 1<sup>st</sup> Floor, with construction admeasuring about 141.28 sq.mtr. Flat No. 3 on 3<sup>rd</sup> Floor with construction admeasuring about 141.28 sq.mtr. and Flat No. 4 on 4<sup>th</sup> 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 of this DRHP; 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 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 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 the chapter titled “*Financial Indebtedness*” on page 228 of this Draft Prospectus, our Promoter has not given any material guarantees to any third parties with respect to the Equity Shares as on the date of this Draft 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 Prospectus:

*Jaimin Kailash Gupta*

<b>Name of Company or Firm from which Promoter has Disassociated</b>	<b>Reasons for and Circumstances Leading to Disassociation</b>	<b>Date of Disassociation</b>
7NR Retail Limited	Disassociation as Director due to occupational commitments	January 08, 2022
Vaxtex 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. Qmin Pharma Private Limited
3. Vax Fashion Private Limited
4. Brand Cluster LLP
5. Kailash Gupta HUF
6. 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 had violated the principles of natural justice, and thereby 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, our Promoter and members of our Promoter Group have not 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 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 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. ***Vaxtex 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 Vaxtex Cotfab Limited for the previous three financial years, extracted from its audited financial statements is available on website at [www.vaxtexcotfabltd.com](http://www.vaxtexcotfabltd.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](http://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](http://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](http://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](http://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](http://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 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 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 of  
Stitched Textiles Limited**

To,  
The Board of Directors  
**Stitched Textiles Limited**  
1st Floor, Barcelona House,  
B/s. Star House., Opp-Shell Pump Road,  
Prahlanagar, Satellite, Ahmedabad,  
Gujarat, India 380015.

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 March 31, 2022, 2021 and 2020, the Restated Consolidated Statements of Profit and Loss, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2022, 2021 and 2020, 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 September 5, 2022 for the purpose of inclusion in the Draft Prospectus/ Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO").
2. These restated Summary Statement have been prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act")
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended("ICDR Regulations");and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
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 Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Gujarat and the BSE SME Exchange 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 IV to the Restated Consolidated Financial Information. The 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 August 27<sup>rd</sup>, 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 the Audited Consolidated Financial Statements of the Company for the financial years ended on March 31, 2022, March 31, 2021 and March 31, 2020, which has been approved by the Board of Directors.
- a) We have audited the Consolidated financial statements of the company as at and for year ended on March 31, 2022 prepared by the company in accordance with Indian Accounting Standard (Indian GAAP). We have issued our report dated August 26<sup>th</sup>, 2022 on this Consolidated financial statements which have been approved by the Board of Directors at their meeting held on August 26<sup>th</sup>, 2022.
  - b) Audited financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and 2020 prepared in accordance with the Indian Accounting Standards (Indian GAAP) which have been approved by the Board of Directors at their meeting held on August 26<sup>th</sup>, 2022, October 27, 2021 and December 8, 2020 respectively.
6. For the purpose of our examination, we have relied on:
- a) Auditors' reports issued by us dated August 26<sup>th</sup>, 2022 as at and for year ended on March 31, 2022 as referred in Paragraph 5(a) above and dated October 27, 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 December 8, 2020 on the Standalone financial statements of the Company as at and for the years ended March 31, 2020, as referred in Paragraph 5(c)above.
- The audits for the financial years ended March 31, 2020 were conducted by the Company's previous auditors, NIRANJAN 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 and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and collectively, the "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.

7. 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 year ended on March 31, 2022, March 31, 2021 and March 31, 2020 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 IV** 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 period ended on March 31, 2022, March 31, 2021 and March 31, 2020 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 IV** 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 period ended on March 31, 2022, March 31, 2021 and March 31, 2020 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 IV** 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 year ended on March 31, 2022, March 31, 2021 and March 31, 2020 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 IV** 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.





8. 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 year ended March 31, 2022 March 31, 2021 and March 31 2020 proposed to be included in the Draft Prospectus/Prospectus.

<b>Annexure No.</b>	<b>Particulars</b>
<b>I</b>	<b>Restated Statement of Assets &amp; Liabilities</b>
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Other Long-Term Liabilities
I.4	Restated Statement of Deferred Tax Liabilities/Assets
I.5	Restated Statement of Short-Term Borrowings
I.6	Restated Statement of Trade Payable
I.7	Restated Statement of Other Current Liabilities
I.8	Restated Statement of Short-Term Provisions
I.9	Restated Statement of Property, Plant and Equipment & Intangible Assets & Depreciations
I.10	Restated Statement of Non-Current Investment
I.11	Restated Statement of Long-Term Loans and Advances
I.12	Restated Statement of Other Non-Current Assets
I.13	Restated Statement of Inventories
I.14	Restated Statement of Trade Receivable
I.15	Restated Statement of Cash & Cash Equivalent
I.16	Restated Statement of Short-Term Loans and Advances
I.17	Restated Statement of Other Current Assets
<b>II</b>	<b>Restated Statement of Profit &amp; Loos</b>
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Purchase of Stock in Trade
II.4	Restated Statement of Changes in Inventories of Finished Goods
II.5	Restated Statement of Employees Benefit Expenses
II.6	Restated Statement of Financial Cost
II.7	Restated Statement of Other Expenses
II.8	Restated Statement of Earning Per Equity Share
Other Annexures:	
III	Cash Flow Statement
IV	Statement of Significant Accounting Policies
V	Notes to the Re-stated Financial Statements
VI	Statement of Accounting & Other Ratios, As Restated
VII	Statement of Capitalization, As Restated
VIII	Statement of Tax Shelter, As Restated
IX	Statement of Related Parties & Transactions
X	Statement of Dividends
XI	Changes in the Significant Accounting Policies
XII	Contingent Liabilities

9. 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 February 28, 2025.

10. 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 5above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Gujarat 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 inwriting.

**For, J S Maheshwari & Co**  
**Chartered Accountants**  
**Firm Reg. No: 001318C**  
**PRC No:012874**

**CA Dilip Maliwal**  
**Partner**  
**Membership No:148387**  
**Place: Ahmedabad**

**Date: September 5, 2022**

**UDIN No: 22148387AUHKHN7901**

**ANNEXURE -I**  
**STATEMENT OF ASSETS & LIABILITIES, AS RESTATED**

(Rs. In Lakhs)

	Particulars	Notes	31.03.2022	31.03.2021	31.03.2020
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' funds</b>				
	(a) Share capital	<b>I.1</b>	604.86	46.12	1.00
	(b) Reserves and surplus	<b>I.2</b>	152.39	167.34	1.62
			<b>757.26</b>	<b>213.47</b>	<b>2.62</b>
<b>2</b>	<b>Non - current Liabilities</b>				
	(a) Other Long term liabilities	<b>I.3</b>	658.75	303.95	-
	(b) Deferred tax liabilities (Net)	<b>I.4</b>	1.45	-	-
			<b>660.20</b>	<b>303.95</b>	<b>-</b>
<b>3</b>	<b>Current liabilities</b>				
	(a) Short Term Borrowings	<b>I.5</b>	471.96	267.49	4.20
	(b) Trade payables	<b>I.6</b>			
	i) Total outstanding dues of MSME		63.96	-	87.15
	ii) Total outstanding dues of other than MSME		7,909.95	846.35	358.23
	(c) Other Current Liabilities	<b>I.7</b>	58.38	382.94	140.44
	(d) Short-term provisions	<b>I.8</b>	21.97	10.89	4.63
			<b>8,526.22</b>	<b>1,507.68</b>	<b>594.65</b>
	<b>TOTAL</b>		<b>9,943.67</b>	<b>2,025.09</b>	<b>597.26</b>
<b>II.</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment & Intangible Assets	<b>I.9</b>			
	(i) Property, Plant and Equipment		98.16	8.90	5.40
	(ii) Intangible Assets		16.91	-	-
	(b) Non-current Investment	<b>I.10</b>	47.27	45.00	0.50
	(e) Deferred Tax Assets	<b>I.11</b>	-	0.52	0.48
	(c) Long Term Loan & Advances	<b>I.12</b>	11.74	4.28	1.23
	(d) Other non-current assets		-	-	-
			<b>174.08</b>	<b>58.69</b>	<b>7.62</b>
<b>2</b>	<b>Current assets</b>				
	(a) Inventories	<b>I.13</b>	1,906.57	379.38	210.50
	(b) Trade Receivable	<b>I.14</b>	5,951.01	400.50	153.15
	(c) Cash and cash equivalents	<b>I.15</b>	562.34	12.91	41.83
	(d) Short Term Loan & Advances	<b>I.16</b>	1,059.23	932.08	24.97
	(e) Other Current Assets	<b>I.17</b>	290.44	241.52	159.20
			<b>9,769.59</b>	<b>1,966.39</b>	<b>589.64</b>
	<b>TOTAL</b>		<b>9,943.67</b>	<b>2,025.09</b>	<b>597.26</b>



**ANNEXURE -II  
STATEMENT OF PROFIT & LOSS, AS RESTATED**

(Rs. In Lakhs)

	Particulars	Notes	31.03.2022	31.03.2021	31.03.2020
I	Revenue from operations	II.1	10,795.82	1,232.89	680.76
II.	Other Income	II.2	52.04	36.92	0.40
<b>III.</b>	<b>Total Income ( I + II )</b>		<b>10,847.86</b>	<b>1,269.81</b>	<b>681.16</b>
<b>IV.</b>	<b>Expenses:</b>				
	Cost of Material Consumed		-	-	-
	Purchases of Stock-in-Trade	II.3	11,171.83	1,265.52	718.94
	Changes in inventories of Finished Goods	II.4	(1,527.19)	(168.88)	(118.91)
	Employee Benefit Expenses	II.5	291.38	36.80	37.03
	Finance Cost	II.6	29.01	3.26	1.37
	Depreciation & Amortisation	I.9	3.79	1.50	1.81
	Other Expenses	II.7	790.33	89.85	40.19
	<b>Total expenses</b>		<b>10,759.16</b>	<b>1,228.07</b>	<b>680.44</b>
<b>V.</b>	<b>Profit before tax and share of Net Profit (III - IV)</b>		<b>88.71</b>	<b>41.74</b>	<b>0.72</b>
<b>VI.</b>	<b>Share of Profit (Loss) from Associate</b>		<b>0.15</b>	<b>(0.50)</b>	<b>-</b>
<b>VII.</b>	<b>Profit before tax (V - VI)</b>		<b>88.86</b>	<b>41.24</b>	<b>0.72</b>
<b>VIII.</b>	<b>Tax expense:</b>				
	Current tax		22.98	10.89	0.36
	.Deferred Tax		1.96	(0.04)	(0.11)
	Previous year Tax		-	0.03	-
<b>IX.</b>	<b>Profit (Loss) for the period ( VII - VIII)</b>		<b>63.91</b>	<b>30.36</b>	<b>0.47</b>
<b>X</b>	<b>Earnings per equity share:</b>	<b>II.8</b>			
	(1) Basic / Diluted ( Weighted Average Per Share)		0.15	25.04	4.70
	No. of Equity Outstanding at the year end		6,04,86,440	4,61,249	10,000
	Weighted Average No. of Equity Shares outstanding at the year end		4,27,25,475	1,21,267	10,000

**ANNEXURE -III**  
**STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. In Lakhs)

PARTICULARS	For the year ended		
	31.03.2022	31.03.2021	31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax as per Profit & Loss A/c	88.86	41.24	0.72
Adjusted for :			
a. Depreciation	3.79	1.50	1.81
b. Interest Expenses & Finance Cost	29.01	3.26	1.37
c. Interest & Other Income	(52.04)	(13.65)	-
d. Loss From Associate Company	-	0.50	-
e. Other Adjustment			0.06
<b>Operating profit before working capital changes</b>	<b>69.62</b>	<b>32.87</b>	<b>3.96</b>
Adjusted for :			
a. Decrease /(Increase) in Inventories	(1,527.19)	(168.88)	(118.91)
b. Decrease / ( Increase ) in trade receivable	(5,550.52)	(247.35)	(69.58)
c. Decrease / ( Increase ) in Current Investments	-	-	-
d. Decrease / ( Increase ) in Other Current Assets	(48.92)	(241.52)	(159.20)
e. Increase / ( Decrease ) in Trade Payables	7,127.56	400.96	229.08
f. Increase / (Decrease) in short term provisions	11.08	7.26	(0.07)
g. Increase / ( Decrease ) in other current liabilities	(324.56)	241.51	80.69
	-	-	-
<b>Cash generated from operations</b>			
Net Income Tax (Paid)/Refund	(22.98)	(10.92)	(0.36)
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(265.92)</b>	<b>13.93</b>	<b>(34.38)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITES</b>			
a. (Purchase) Sale of Fixed Assets	(109.97)	(5.00)	(0.84)
b. ( Purchase) / Sale of non-current investment	(2.27)	(45.00)	(0.50)
c. ( Increase ) / Decrease in Long term loans and advances	(7.46)	(3.05)	1.37
d. ( Increase ) / Decrease in Short term loans and advances	(127.15)	(747.92)	59.01
e. Increase / ( Decrease ) in Long Term Provisions	-	-	-
f. Interest & Other Income	52.04	13.65	-
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(194.80)</b>	<b>(787.32)</b>	<b>59.04</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>			
a. Interest & Finance Cost	(29.01)	(3.26)	(1.37)
b. Proceeds from share issued	34.52	45.12	-
c. Proceeds from share Premium	445.36	135.37	-
d. ( Repayments ) / proceeds of long term borrowings	-	-	-
e. ( Repayments ) / proceeds of short term borrowings	204.47	263.29	-
f. ( Repayments ) / Other Long term lliabilities	354.81	303.95	-
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>1,010.15</b>	<b>744.48</b>	<b>(1.37)</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	<b>549.42</b>	<b>(28.91)</b>	<b>23.29</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12.91</b>	<b>41.83</b>	<b>18.55</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>562.34</b>	<b>12.92</b>	<b>41.83</b>
<b>Cash and cash equivalents at the end of the year</b>			
Cash in hand	176.18	12.57	36.96
Balance with Bank			
- In current accounts	386.16	0.34	4.88
- In Deposit accounts	-	-	-
<b>Total</b>	<b>562.34</b>	<b>12.91</b>	<b>41.83</b>

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year

**Annexure – I.1**

<b>RESTATED STATEMENT OF SHARE CAPITAL</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>Authorised Share Capital</b>			
Number of Equity Shares of Rs. 1 (Rs. 10) each	10,00,00,000	12,50,000	1,00,000
Authorised Equity Share Capital in Rs.	1,000.00	125.00	10.00
<b>Issued, Subscribed and Paid Up Share Capital</b>			
Number of Equity Shares of Rs. 1 (Rs. 10) each	6,04,86,440	4,61,249	10,000
Paid up Equity Share Capital in Rs	604.86	46.12	1.00
<b>TOTAL</b>	<b>604.86</b>	<b>46.12</b>	<b>1.00</b>

<b>NUMBER OF SHARES</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2021</b>
<b>Equity Shares</b>			
Shares outstanding at the beginning of the year	4,61,249	10,000	10,000.00
Shares Issued during the year	55,87,395	4,51,249	-
Shares bought back during the year	-	-	-
Adjustment for Subdivision of Equity Shares *	5,44,37,796		
Shares outstanding at the end of the year	6,04,86,440	4,61,249	10,000.00

\*Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting of the Company held on February 17, 2022, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share.

<b>Shareholding of Promoter</b>			
<b>Promoter's Name</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2021</b>
<b>Jaimin Kailash Gupta</b>			
No. of shares	4,91,88,670	2,74,750	1,000.00
% of total share holding	81.32%	59.57%	0.10
[Promoter's holding is 81.32% ( Previous year 59.57%) change in Promoter's holding is 21.75%]			

<b>Details of Shareholders holding more than 5 % shares:-</b>			
<b>Name of Shareholder</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>% of Holding</b>	<b>% of Holding</b>	<b>% of Holding</b>
<b>Jaimin Kailash Gupta</b>			
No. of shares	4,91,88,670	2,74,750	1,000.00
% of total share holding	81.32%	59.57%	0.10
<b>Tridhya Tech Private Limited</b>			
No. of shares	70,49,020	-	-
% of total share holding	11.65%	0.00%	-
<b>Tarachand Gangasahay Agrawal</b>			
No. of shares	-	71,500	9,000.00
% of total share holding	0.00%	15.50%	0.90
<b>Qmin Pharma Private Limited</b>			
No. of shares	-	1,14,999	-
% of total share holding	0.00%	24.93%	-

**Annexure – I.2**

<b>RESTATED STATEMENT OF RESERVE AND SURPLUS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>Profit &amp; Loss Account</b>			
As per Last Year	31.97	1.61	1.08
Addition during the year	63.91	30.36	0.47
Adjustment	-	-	0.06
Closing Balance	95.88	31.97	1.62
<b>Securities Premium A/c</b>			
As per Last Year	135.37	-	-
Addition during the year	445.36	135.37	-
Less: Bonus Shares Issued	(524.22)		
Closing Balance	56.51	135.37	-
	<b>152.39</b>	<b>167.34</b>	<b>1.62</b>

**Annexure – I.3**

<b>RESTATED STATEMENT OF OTHER LONGTERM LIABILITIES</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Refundable Deposit	658.75	275.17	-
Other Deposits	-	28.78	-
	<b>658.75</b>	<b>303.95</b>	<b>-</b>

**Annexure – I.4**

<b>RESTATED STATEMENT OF DEFERRED TAX LIABILITIES</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Deferred Tax Liability on Account of Following:			
Depreciation	1.45	-	-
	<b>1.45</b>	<b>-</b>	<b>-</b>

**Annexure – I.5**

<b>RESTATED STATEMENT OF SHORT TERM BORROWINGS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>Unsecured Loans- Unsecured</b>			
<b>(a) Loans Repayable on Demand</b>			
i) From Directors / Shareholders & their Relatives	114.74	-	-
ii) Inter Corporate Deposit	310.42	239.72	-
iii) Others	46.80	21.56	4.20
<b>(b) Bank Overdraft</b>	-	6.21	-
	<b>471.96</b>	<b>267.49</b>	<b>4.20</b>

**Annexure – I.6**

<b>RESTATED STATEMENT OF TRADE PAYABLES</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
i] Due to Micro and Small Enterprises			
Outstanding for: less than 1 year	63.96	-	87.15
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
ii] Other than due to Micro and Small Enterprises			
Outstanding for: less than 1 year	7,459.97	714.82	237.59
1-2 years	449.98	131.53	120.65
2-3 years	-	-	-
More than 3 years	-	-	-
iii] Disputed dues- MSME	-	-	-
iv] Disputed dues- Others	-	-	-
	<b>7,973.91</b>	<b>846.35</b>	<b>445.38</b>

**Annexure – I.7**

<b>RESTATED STATEMENT OF OTHER CURRENT LIABILITY</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Advance from Customer	39.05	380.15	72.53
Security Deposits	-	-	66.12
Other Payables	-	1.60	1.60
Statutory Dues	19.33	1.19	0.19
	<b>58.38</b>	<b>382.94</b>	<b>140.44</b>

**Annexure – I.8**

<b>RESTATED STATEMENT OF SHORT TERM PROVISIONS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>(a) Provision for employee benefits</b>			
Salary & Reimbursements	7.36	-	0.67
Director Remuneration Payable	-	-	3.00
<b>(b) Others</b>			
Provisions for Tax	13.96	10.89	0.36
Provisions for Exp.	0.65	-	-
Provisions for Audit Fee	-	-	0.60
	<b>21.97</b>	<b>10.89</b>	<b>4.63</b>





"I.9" Property, Plant and Equipment & Intangible Assets

Rs In Lakhs

PARTICULARS	Plant & Machinery	Electric Installation	Furniture & Fixtures	Office Equipment	Computer	TOTAL TANGIBLE ASSETS	Intangible Assets	CAPITAL WORK IN PROGRESS
<b>Deemed cost as at April 01, 2018</b>	2.25	-	5.15	-	-	7.40	-	-
Additions	-	0.69	2.15	-	0.55	3.40	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Gross Carrying Amount as at 01st April, 2019</b>	2.25	0.69	7.30	-	0.55	10.80	-	-
Additions	-	-	0.28	0.56	-	0.84	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Gross Carrying Amount as at March 31,2020</b>	2.25	0.69	7.58	0.56	0.55	11.63	-	-
Additions	-	-	5.00	-	-	5.00	-	-
Disposals/ Deduction	-	-	-	-	-	-	-	-
<b>Gross Carrying Amount as at March 31,2021</b>	2.25	0.69	12.58	0.56	0.55	16.63	-	-
Additions	9.62	14.86	62.02	4.03	1.55	92.08	17.89	-
Disposals/ Deduction	-	-	-	-	-	-	-	-
<b>Gross Carrying Amount as at March 31,2022</b>	11.87	15.56	74.60	4.59	2.10	108.71	17.89	-
<b>Accumulated Depreciation/ Amortization and Impairment</b>								
<b>Balance as at April 01,2018</b>	1.03	-	2.25	-	-	3.28	-	-
Depreciation for the year	0.22	0.02	0.80	-	0.09	1.14	-	-
Depreciation on Disposals	-	-	-	-	-	-	-	-
<b>Balance as at April 01,2019</b>	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	-	-	-	-	-	-	-	-
<b>Balance as at March 31,2020</b>	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	-	-	-	-	-	-	-	-
<b>Balance as at March 31,2021</b>	1.58	0.33	5.17	0.17	0.49	7.73	-	-
Depreciation for the year	0.22	0.26	1.94	0.33	0.06	2.81	0.98	-
Depreciation on Disposals	-	-	-	-	-	-	-	-
<b>Balance as at March 31,2022</b>	1.79	0.59	7.11	0.50	0.55	10.54	0.98	-
<b>Net Carrying Amount</b>								
<b>As at January 31,2022</b>	10.07	14.97	67.49	4.09	1.55	98.16	16.91	-
<b>As at March 31,2021</b>	0.67	0.37	7.41	0.39	0.06	8.90	-	-
<b>As at March 31,2020</b>	0.82	0.50	3.39	0.53	0.17	5.40	-	-
<b>As at March 31,2019</b>	1.00	0.67	4.25	-	0.46	6.38	-	-
<b>As at March 31,2018</b>	1.22	-	2.90	-	-	4.12	-	-

**Annexure – I.10**

RESTATED STATEMENT OF NON CURRENT INVESTMENT	31.03.2022	31.03.2021	31.03.2020
<b>i) Investment in Associate Company</b>			
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)	-
<b>ii) Investment in Fixed Deposit</b>	47.27	45.00	-
	<b>47.27</b>	<b>45.00</b>	<b>0.50</b>

**Annexure – I.11**

RESTATED STATEMENT OF DEFERRED TAX ASSETS	31.03.2022	31.03.2021	31.03.2020
Deferred Tax Assets on Account of Following:			
Depreciation	-	0.52	0.48
	-	<b>0.52</b>	<b>0.48</b>

**Annexure – I.12**

(Rs. In lakhs)

RESTATED STATEMENT OF LONG TERM LOAN & ADVANCES	31.03.2022	31.03.2021	31.03.2020
<b>Deposits</b>			
<b>i) Inter corporate Loans/Deposit</b>	-	-	-
<b>ii) Loans/ Advance to Directors/ KMP/ Related parties:</b>			
Promoters	-	-	-
Directors	-	-	-
KMPs	-	-	-
Related Parties	-	-	-
<b>iii) Security Deposits</b>	11.74	4.28	1.23
	<b>11.74</b>	<b>4.28</b>	<b>1.23</b>

**Annexure – I.13**

RESTATED STATEMENT OF INVENTORIES	31.03.2022	31.03.2021	31.03.2020
Stock in Trade	1,906.57	379.38	379.38
	<b>1,906.57</b>	<b>379.38</b>	<b>379.38</b>

**Annexure – I.14**

RESTATED STATEMENT OF TRADE RECEIVABLES *	31.03.2022	31.03.2021	31.03.2020
<b>(i) Undisputed Trade Receivables Considered Good</b>			
Less than 6 months	5,840.95	226.91	65.81
6 months to 1 year	14.16	61.13	87.34
1-2 years	95.91	112.46	-
2-3 years	-	-	-
More than 3 years	-	-	-
<b>(ii) Undisputed Trade Receivables Considered Doubtful</b>	-	-	-
<b>(iii) Disputed Trade Receivables Considered Good</b>	-	-	-
<b>(iv) Disputed Trade Receivables Considered Doubtful</b>	-	-	-
	<b>5,951.01</b>	<b>400.50</b>	<b>153.15</b>

* Note : Trade receivable includes Trade Receivable from Related Party	2,794.86	233.70	32.98
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**Annexure – I.15**

<b>RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>Balance with banks</b>			
- In current accounts	386.16	0.34	4.88
- In Deposit accounts	-	-	-
<b>Cash on Hand</b>	176.18	12.57	36.96
	<b>562.34</b>	<b>12.91</b>	<b>41.83</b>

**Annexure – I.16**

<b>RESTATED STATEMENT OF SHORT TERM LOAN &amp; ADVANCES</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
( Unsecured , Considered Good)			
i) Advance recoverable in cash or in kind	971.56	913.29	19.05
ii) Advance Tax	-	1.01	-
iii) Advance to supplier	-	-	-
iii) Balance with Statutory Authorities	87.67	17.78	5.82
iv) Prepaid Expense	-	-	0.10
	<b>1,059.23</b>	<b>932.08</b>	<b>24.97</b>

**Annexure – I.17**

(Rs. In lakhs)

<b>RESTATED STATEMENT OF OTHER CURRENT ASSETS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Advance paid to creditors	290.44	241.52	159.20
	<b>290.44</b>	<b>241.52</b>	<b>159.20</b>

**Annexure – II.1**

<b>RESTATED STATEMENT OF REVENUE FROM OPERATIONS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Sale of Products - Traded Goods	12,052.06	1,232.89	680.76
Less: Branch Transfer	(1,256.24)	-	-
	<b>10,796</b>	<b>1,233</b>	<b>680.76</b>

**Annexure – II.2**

<b>RESTATED STATEMENT OF OTHER INCOME</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Interest Income	52.04	13.65	-
Cancellation charges	-	-	0.25
Excess provision w/off	-	-	0.15
Round Off	-	0.01	-
Scheme/Discount Income	-	23.27	-
Other Income	-	-	-
	<b>52.04</b>	<b>36.92</b>	<b>0.40</b>

**Annexure – II.3**

<b>RESTATED STATEMENT OF PURCHASES OF STOCK-IN-TRADE</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Purchases of Goods	12,428.07	1,265.52	718.94
Less: Branch transfer	(1,256.24)	-	-
	<b>11,171.83</b>	<b>1,265.52</b>	<b>718.94</b>

**Annexure – II.4**

<b>RESTATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS (TRADED)</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<u>Inventories at the end of the year:</u>			
Finished goods	(1,906.57)	(379.38)	(210.50)
<u>Inventories at the beginning of the year:</u>			
Finished goods	379.38	210.50	91.59
<b>Net increase /( decrease)</b>	<b>(1,527.19)</b>	<b>(168.88)</b>	<b>(118.91)</b>

**Annexure – II.5**

<b>RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Salary & Bonus	270.01	30.57	32.06
Director Remuneration	8.40	6.00	3.00
Staff Welfare Exp.	11.42	-	1.97
Staff Incentive Exp.	1.56	0.23	-
	<b>291.38</b>	<b>36.80</b>	<b>37.03</b>

**Annexure – II.6**

<b>RESTATED STATEMENT OF FINANCE COST</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Interest Expense	22.60	3.26	0.04
Bank Charges	6.41	-	1.32
	<b>29.01</b>	<b>3.26</b>	<b>1.37</b>

**Annexure – II.7**

(Rs. In lakhs)

<b>RESTATED STATEMENT OF OTHER EXPENSES</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Consumption of packing materials	46.56	0.31	1.48
Electric Power, Fuel & Water	7.03	0.28	3.90
Job Contract Expenses	23.52	-	0.69
Freight & Forwarding	49.54	-	2.56
Rent Rates and taxes	132.83	29.69	5.98
Repairs and maintenance - Buildings	2.92	0.69	0.34
Repairs and maintenance - Machinery	-	-	-
Repairs and maintenance - Others	0.52	-	-
Internet communication and software expenses	3.52	-	0.33
Telephone mobile and courier charges	10.70	0.53	-
Travelling Expenses	10.67	3.75	5.74
Stationery and printing expenditure	3.42	1.97	3.00
Insurance	0.55	0.13	0.42
Donations and contributions	30.00	0.04	-
Penalty Expenses	1.03	-	-
Payment to Auditor	1.03	-	0.30
Legal and professional	27.93	7.07	0.42
Store related expenses	11.42	27.93	0.74
Office Expenses	9.91	2.71	4.11
Sales commission	352.58	8.23	0.37
Business promotion	47.72	3.69	6.28
Freight & Container Expenses	0.67	0.73	-
Miscellaneous expenses	16.28	-	3.52
Bad Debt	-	2.11	0.01
	<b>790.33</b>	<b>89.85</b>	<b>40.19</b>

**Annexure – II.8**

<b>RESTATED STATEMENT OF EARNING PER EQUITY SHARES</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
1. Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	<b>63.91</b>	<b>30.36</b>	<b>0.47</b>
2. Number of equity shares used as denominator for calculating EPS	4,27,25,475	1,21,267	10,000.00
3. Basic and Diluted Earning per Share	0.15	25.04	4.70
4. Face Value per equity share ( in Rs)	10.00	10.00	10.00

**ANNEXURE – VI**
**Statement of Accounting & Other Ratios, As Restated**

Particulars	31-03-2022	31-03-2021	31-03-2020
Net Profit as Restated (A)	63.91	30.36	0.47
Add: Depreciation	3.79	1.50	1.81
Add: Interest on Loan	22.60	3.26	0.04
Add: Income Tax/ Deferred Tax	24.95	10.88	0.25
<b>EBITDA</b>	115.25	46.01	2.58
<b>EBITDA Margin (%)</b>	1.07%	3.73%	0.38%
Net Worth as Restated (B)	757.26	213.47	2.62
<b>Return on Net worth (%) as Restated (A/B)</b>	8.44%	14.22%	17.96%
Equity Share at the end of year (in Nos.) (C)	6,04,86,440	4,61,249	10,000
Weighted No. of Equity Shares (D)	4,27,25,475	1,21,267	10,000
<b>Basic &amp; Diluted Earnings per Equity Share as Restated (A/D)</b>	0.15	25.04	4.70
<b>Net Asset Value per Equity share as Restated (B/C)</b>	1.25	46.28	26.17

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	For the period ended 31st March 2022	For the period ended 31st March 2021	For the period ended 31st March 2020
Current Ratio,	1.15	1.30	0.99
Debt-Equity Ratio,	0.87	1.42	-
Debt-Service Coverage Ratio,	NA	NA	NA
Return on Equity Ratio,	8.42%	14.42%	17.91%
Inventory turnover ratio,	8.44	3.72	3.97
Trade Receivables turnover ratio,	3.40	4.45	5.75
Trade payables turnover ratio,	2.53	1.96	2.22
Net capital turnover ratio,	8.68	2.69	-
Net profit ratio,	0.59%	2.50%	0.11%
Return on Capital Employed,	8.30%	8.69%	79.82%
Return on Investment,	8.42%	14.42%	17.96%

Particulars	Numerator	Denominator
Current Ratio,	Current Assets	Current Liabilities
Debt-Equity Ratio,	Total Liabilities	Total Shareholder's Equity
Debt-Service Coverage Ratio,	EBITDA-CAPEX	Debt Service (Int+Principal)
Return on Equity Ratio,	Net Income	Shareholder's equity
Inventory turnover ratio,	Cost of Goods sold	Average Inventory
Trade Receivables turnover ratio,	Net credit sales	Average Trade Receivable
Trade payables turnover ratio,	Net credit Purchase	Average Trade Payable
Net capital turnover ratio,	Sales	Working Capital
Net profit ratio,	Net Profit	Sales
Return on Capital Employed,	Earnings before interest and tax	Capital Employed
Return on Investment,	Net Profit	Investment

Net Operating Income=Revenue–COE

COE=Certain operating expenses

Total Debt Service=Current debt obligations

**Reasons :**

Debt-Equity Ratio,:It is increased primarily due to increase in Deposits from frenchise

Return on Equity Ratio,:It is increased due to increased in Profit

Inventory turnover ratio,:It is increased primarily due to increase in Operations of Company

Trade payables turnover ratio,:It is increased primarily due to increase in Trade payables

Net capital turnover ratio,:It is increased primarily due to increase in Revenue from Operation

Net profit ratio,:It is decreased due to increased in overheads of Operations

Return on Investment,:Return on Investment decreased due to decrease in Profit and increased of share capital

**ANNEXURE – VII**
**Statement of Capitalization, As Restated**

Particulars	Pre-Issue	Post Issue*
	31-03-2022	
<b>Debt :</b>		
Short Term Debt	471.96	[●]
Long Term Debt	-	-
<b>Total Debt</b>	<b>471.96</b>	<b>-</b>
<b>Shareholders Funds</b>		
Equity Share Capital	604.86	[●]
Reserves and Surplus	152.39	[●]
Less: Misc. Expenditure	-	-
<b>Total Shareholders' Funds</b>	<b>757.26</b>	<b>[●]</b>
<b>Long Term Debt/ Shareholders' Funds</b>	<b>-</b>	<b>[●]</b>
<b>Total Debt / Shareholders Fund</b>	<b>0.62</b>	<b>[●]</b>

\* Assuming Full Allotment of IPO shares

**ANNEXURE – VIII**
**Statement of Tax Shelter, As Restated**

Particulars	As At		
	31-03-2022	31-03-2021	31-03-2020
<b>Profit Before Tax as per books of accounts (A)</b>	<b>88.86</b>	<b>41.24</b>	<b>0.72</b>
-- Normal Tax rate	26.00%	26.00%	26.00%
-- Minimum Alternative Tax rate	15.60%	15.60%	15.60%
<b>Permanent differences</b>			
Other adjustments	14.00	-	0.08
Prior Period Item	-	-	-
Loss on sale of Investment	-	0.50	-
<b>Total (B)</b>	<b>14.00</b>	<b>0.50</b>	<b>0.08</b>
<b>Timing Differences</b>			
Depreciation as per Books of Accounts	3.79	1.50	1.81
Depreciation as per Income Tax	11.34	1.36	1.22
Difference between tax depreciation and book depreciation	(7.55)	0.14	0.59
Other adjustments	-	-	-
Foreign income included in the statement	-	-	-
<b>Total (C)</b>	<b>(7.55)</b>	<b>0.14</b>	<b>0.59</b>
<b>Net Adjustments (D = B+C)</b>	<b>6.45</b>	<b>0.64</b>	<b>0.67</b>
<b>Total Income (E = A+D)</b>	<b>95.31</b>	<b>41.89</b>	<b>1.39</b>
Brought forward losses set off (Depreciation)	-	-	-
Tax effect on the above (F)	-	-	-
<b>Taxable Income/ (Loss) for the year/period (E+F)</b>	<b>95.31</b>	<b>41.89</b>	<b>1.39</b>
Tax Payable for the year	24.78	10.89	0.36
Tax payable as per MAT	15.00	6.43	0.11
Tax expense recognised	<b>22.98</b>	<b>10.89</b>	<b>0.36</b>
Tax payable as per normal rates or MAT (whichever is higher)	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>



Particulars	31-03-2022	31-03-2021	31-03-2020
Total Share Capital	604.86	46.12	1.00
Total Net Worth	757.26	213.47	2.62
Total Revenue	10,847.86	1,269.81	681.16
Profit After Tax	63.91	30.36	0.47
Earnings Per Share (Basis & Diluted)	0.15	25.04	4.70
Net Asset Value per equity shares	1.25	46.28	26.17
Total Borrowings	1,130.71	571.44	4.20

(Rs in Lakhs)

Particulars	31-03-2022	31-03-2021	31-03-2020
Total Revenue	10,847.86	1,269.81	681.16
Net Profit before tax	88.86	41.24	0.72
Net Profit after tax	63.91	30.36	0.47
Equity Share Capital	604.86	46.12	1.00
Reserves and Surplus	152.39	167.34	1.62
Net worth	757.26	213.47	2.62
Face Value of Shares	1/-	10/-	10/-
Basic & Diluted earnings per share (Rs.)	0.15	25.04	4.70
Return on net-worth (%)	0.08%	0.14%	0.18%
Net Asset Value Per Share (Rs)	1.25	46.28	26.17

Particulars	31-03-2022	31-03-2021	31-03-2020
Total Net Worth	757.26	213.47	2.62
Total Revenue	10,847.86	1,269.81	681.16
EBTIDA	115.25	46.01	2.58
Profit After Tax	63.91	30.36	0.47
Profit After Tax in %	0.59%	2.39%	0.07%

Particulars	31-03-2022	31-03-2021	31-03-2020
Net cash from operating activities	(266)	14	(34)
Net Cash (used in) / from investing activities	(195)	(787)	59
Net Cash used in financing activities	1,010	744	(1)
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>549</b>	<b>(29)</b>	<b>23</b>

**ANNEXURE -IX**
**STATEMENT OF RELATED PARTY & TRANSACTIONS:**

Related party disclosures, as required by Accounting Standard (AS)18- "Related Party Disclosure" issued by the ICAI are given below:

The Company has identified all the related parties having transactions during the year, as per details given below:

**(i) List of related parties**

<b>Name of the key managerial personnel/Entity</b>	<b>Relationship</b>
Tarachand Gangasahay Agrawal (Resigned : 15/06/2022)	Director
Jaimin Kailash Gupta (w.e.f.2nd November, 2015)	Managing Director
Raj Arjanbhai Ahir (w.e.f.14th December, 2021)	Director
Rushabh Anilkumar Shah (w.e.f.14th December, 2021)	Independant Director
Premaram Jaitaram Patel	Independant 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
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
Gupta KK & Associates	Proprietor Kresha Gupta

**Transactions with Related Parties :**
**(Rs In Lakhs)**

Particulars	31.03.2022	31.03.2021	31.03.2020
<b>Remuneration paid:</b>			
Jaimin Kailash Gupta	8.40	6.00	-
Dharmesh Tripathi	3.63	-	-
Shivani Pathak	0.90	-	-
<b>Consultancy Fee paid:</b>			
Gupta KK & Associates (Prop. Kresha Gupta)	1.80	-	-
<b>Purchase of Goods</b>			
Vaxtex Cotfab Limited	270.63	325.65	292.38
Vax Enterprise Pvt Ltd (Formerly known as Miracle Stores Pvt Ltd)	81.89	275.81	-
Qmin Pharma Pvt Ltd	9.14	-	327.81
Viru retail pvt ltd	37.37	-	-
<b>Sale of Goods</b>			
Vax Fashion Private Limited *	NA	45.14	-
Vaxtex Cotfab Limited	666.57	400.71	460.81
Brand Cluster LLP	1,503.59	-	-
Qmin Pharma Pvt Ltd	913.60	223.65	115.60
Vax Enterprise Pvt Ltd	1,156.40	-	-
Viru Retail Pvt Ltd	-	8.38	-
<b>Advances Given</b>			
Kresha Gupta	15.90	9.00	9.00
Bharti Gupta	31.60	39.10	174.00
Jaimin Kailash Gupta	63.72	29.64	27.63
Vaxtex Cotfab Limited	-	504.25	231.91
Tarachand Gangasahay Agrawal	5.40	-	0.50
Viru Retail Pvt Ltd	-	-	-
Hillary Fashion	17.50	-	-
<b>Advances Received</b>			
Kresha Gupta	16.31	0.39	9.31
Bharti Gupta	30.48	18.30	28.68
Jaimin Kailash Gupta	29.75	26.95	27.80
Vaxtex Cotfab Limited	-	216.33	443.36
Vax Fashion Private Limited	-	-	5.00
Tarachand Gangasahay Agrawal	-	-	7.00
Hillary Fashion	24.22	-	-
Brand Cluster LLP	-	1.50	-
Vaxtex Cotfab	-	-	7.50
<b>Reimbursement of Expenses</b>			
Kresha Gupta	2.04	-	-
Bharti Gupta	-	-	-
Jaimin Kailash Gupta	15.01	-	-
<b>Outstanding Balances</b>			
<b>Outstanding Trade Receivables</b>			
Vax Fashion Private Limited *	NA	56.67	-
Vaxtex Cotfab Limited	101.93	-	26.26
Brand Cluster LLP	621.28	-	-
Qmin Pharma Pvt Ltd	989.31	-	-
Vax Enterprise Pvt Ltd	1,082.34	-	-
Qmin Pharma Pvt Ltd	-	170.31	-
Hillary Fashion	-	6.72	6.72
<b>Outstanding Business Advance</b>			
Kresha Gupta	5.85	8.30	-
<b>Outstanding Loan (liability)</b>			
Vaxtex Cotfab Limited	-	-	76.17
Brand Cluster LLP	-	1.50	-
<b>Outstanding Trade Payable</b>			
Viru Retail Private Limited	0.19	-	-
Jaimin Kailash Gupta	-	3.48	0.18
Vaxtex Cotfab Limited	0.08	-	-
Bharti Gupta	-	1.12	-
Kresha Gupta	-	-	0.31
Vax Fashion Private Limited *	NA	-	5.00
Brand Cluster LLP	-	-	-
Vaxtex Cotfab - Partnership Firm	-	7.50	7.50

\* Note : Common director has resigned from Vax Fashion Private Limited therefore the company is not considered as Related Party.

**ANNEXURE –X**

**Statement of Dividends**  
No Dividend Paid till Date

**ANNEXURE –XI**

**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 –XII**

**Contingent Liabilities:**  
Nil

**7. Material Adjustments**
**In Profit and Loss Account**

Particulars	For the FY ended		
	31-03-2022	31-03-2021	31-03-2020
<b>Profit After Tax as per Books of Accounts</b>	<b>63.91</b>	<b>30.36</b>	<b>0.47</b>
Adjustment for provision of Depreciation	-	-	-
Adjustment for provision of Income Tax	-	-	-
Adjustment for provision of Deferred Tax	-	-	-
<b>Profit After Tax as per Restated</b>	<b>63.91</b>	<b>30.36</b>	<b>0.47</b>

The impact of the above has been suitably incorporated in the restated balance sheet.

**Material Regrouping**

Particulars	For the FY ended		
	31-03-2022	31-03-2021	31-03-2020
<b>Reserve &amp; Surplus as per Books of Accounts</b>	<b>152.39</b>	<b>167.34</b>	<b>1.62</b>
Adjustment in Profit & Loss Accounts	-	-	-
Adjustment in opening Balance	-	-	-
<b>Reserve &amp; Surplus as per Restated</b>	<b>152.39</b>	<b>167.34</b>	<b>1.62</b>
<b>Fixed Assets as per Books of Accounts</b>	<b>98.16</b>	<b>8.90</b>	<b>5.40</b>
Adjustment for provision of Depreciation	-	-	-
Adjustment for Regrouping with Non-Current Items	-	-	-
<b>Fixed Assets as per Restated</b>	<b>98.16</b>	<b>8.90</b>	<b>5.40</b>
<b>Deferred Tax Liability as per Books of Accounts</b>	<b>1.45</b>	<b>(0.52)</b>	<b>(0.48)</b>
Adjustment for provision of Deferred Tax	-	-	-
Adjustment in opening Balance	-	-	-
<b>Deferred Tax Liability as per Restated</b>	<b>1.45</b>	<b>0.52</b>	<b>0.48</b>

Particulars	For the year ended							
	31-03-2022	% of Total Revenue	31-03-2021	% of Total Revenue	31-03-2020	% of Total Revenue	31-03-2019	% of Total Revenue
<b>(1) Revenue</b>								
(a) Revenue from Operations	10,795.82	99.52%	1,232.89	97.09%	680.76	99.94%	-	0.00%
(b) Other Income	52.04	0.48%	36.92	2.91%	0.40	0.06%	-	0.00%
<b>Total Revenue (1)</b>	<b>10,847.86</b>	<b>100.00%</b>	<b>1,269.81</b>	<b>100.00%</b>	<b>681.16</b>	<b>100.00%</b>	-	<b>0.00%</b>
<b>(2) Expenses</b>								
Cost of Material Consumed	-	0.00%	-	-	-	-	-	-
Traded Purchase	11,171.83	102.99%	1,265.52	99.66%	718.94	105.55%	-	0.00%
Change in Inventories	(1,527.19)	-14.08%	(168.88)	-13.30%	(118.91)	-17.46%	-	0.00%
Employee Benefit Expenses	291.38	2.69%	36.80	2.90%	37.03	5.44%	-	0.00%
Other Expenses	790.33	7.29%	89.85	7.08%	40.19	5.90%	-	0.00%
<b>Total Expenses (2)</b>	<b>10,726.36</b>	<b>98.88%</b>	<b>1,223.30</b>	<b>96.34%</b>	<b>677.26</b>	<b>99.43%</b>	-	<b>0.00%</b>
<b>(3) Profit/(Loss) before Interest, Depreciation and Tax (1-2)</b>	<b>121.51</b>	<b>1.12%</b>	<b>46.51</b>	<b>3.66%</b>	<b>3.90</b>	<b>0.57%</b>	-	<b>0.00%</b>
Depreciation & Amortisation Expenses	3.79	0.03%	1.50	0.12%	1.81	0.27%	-	0.00%
<b>(4) Profit/(Loss) before Interest and Tax</b>	<b>117.72</b>	<b>1.09%</b>	<b>45.01</b>	<b>3.54%</b>	<b>2.09</b>	<b>0.31%</b>	-	<b>0.00%</b>
Financial Charges	29.01	0.27%	3.26	0.26%	1.37	0.00	-	-
<b>(5) Profit/(Loss) before Tax</b>	<b>88.71</b>	<b>0.82%</b>	<b>41.74</b>	<b>3.29%</b>	<b>0.72</b>	<b>0.11%</b>	-	<b>0.00%</b>
Share of Profit (Loss) from Associate	0.15	-	(0.50)	-	-	-	-	-
<b>(6) Profit/(Loss) before Tax</b>	<b>88.86</b>	<b>0.82%</b>	<b>41.24</b>	<b>3.25%</b>	<b>0.72</b>	<b>0.11%</b>	-	<b>0.00%</b>
<b>Tax expense</b>								
(a) Current Tax	22.98	0.21%	10.89	0.86%	0.36	0.05%	-	0.00%
(b) Deferred Tax	1.96	0.02%	(0.04)	0.00%	(0.11)	-0.02%	-	0.00%
(c) Previous year Tax	-	-	0.03	-	-	-	-	-
<b>Total Tax Expenses</b>	<b>24.95</b>	<b>0.23%</b>	<b>10.88</b>	<b>0.86%</b>	<b>0.25</b>	<b>0.04%</b>	-	<b>0.00%</b>
<b>(7) Profit/(Loss) for the period/ year</b>	<b>63.91</b>	<b>5.03%</b>	<b>30.36</b>	<b>2.39%</b>	<b>0.47</b>	<b>0.07%</b>	-	<b>0.00%</b>

**List of TOP 10 Clients for last 3 FY**
**Top 10 Clients**

Sl. No.	Name of Clients	Total Turnover	in % of Total Turnover
1	Vax Fashion Pvt. Ltd.	1,870.58	17.33%
2	Brand Cluster LLP	1,503.59	13.93%
3	7NR Retail Limited	1,355.01	12.55%
4	VAX ENTERPRISE PVT. LTD.	1,156.40	10.71%
5	Qmin Pharma Pvt. Ltd.	913.60	8.46%
6	Vaxtex Cotfab Limited-Sale	1,048.29	9.71%
7	BRR Enterprise Private Limited	267.80	2.48%
8	Runthala Enterprise Private Limited	256.52	2.38%
9	BRR Udhog Pvt. Ltd.	256.30	2.37%
10	Smart Paddle Technology Pvt Ltd	153.00	1.42%
	Total Turnover in FY 2021-22		<b>10,796.29</b>

Sl. No.	Name of Clients	Total Turnover	in % of Total Turnover
1	Vaxtex Cotfab Limited	400.71	32.50%
2	Qmin Pharma Pvt. Ltd.	223.65	18.14%
3	BRR Udhog Pvt. Ltd.	141.21	11.45%
4	Liverpool Fashions Pvt. Ltd.	93.78	7.61%
5	Tridhya Tech Private Limited	85.60	6.94%
6	Vax Fashion Pvt. Ltd.	45.14	3.66%
7	R R Shoppy-Mandeepbhai	28.37	2.30%
8	BRR Enterprise Private Limited	27.66	2.24%
9	Runthala Enterprise Private Limited	22.68	1.84%
10	Ankit Textiles	14.37	1.17%
	Total Turnover in FY 2020-21		<b>1,232.89</b>

Sl. No.	Name of Clients	Total Turnover	in % of Total Turnover
1	Vaxtex Cotfab Limited	460.81	67.69%
2	Qmin Pharma Pvt. Ltd.	115.60	16.98%
3	R R Shoppy	16.70	2.45%
4	K R Garments	14.41	2.12%
5	Jyoti Apparel	8.33	1.22%
6	Pinnacle Traders And Distributors	6.69	0.98%
7	Dev Trading Co.	4.48	0.66%
8	Naveen Fashion	1.97	0.29%
9	Shri Sales Agency	1.96	0.29%
10	Sakar Sales Corporation	1.74	0.26%
	Total Turnover in FY 2019-20		<b>680.76</b>

**List of TOP 10 Suppliers for last 3 FY**
**Top 10 Suppliers**

Sl. No.	Name of Suppliers	Total Purchase	in % of Total Purchase
1	Smart Paddle Technology Pvt Ltd	8,696.70	77.77%
2	Anubha Industries Pvt. Ltd.	366.04	3.27%
3	Vaxtex Cotfab Limited	270.63	2.42%
4	Mukesh Trends Lifestyle Limited	268.31	2.40%
5	Dhruv Trading Co.	124.04	1.11%
6	USP India	96.93	0.87%
7	Vax Enterprise Pvt. Ltd.	81.89	0.73%
8	Prime Denim LLP	77.11	0.69%
9	Ramit Textile	71.66	0.64%
10	Veer Creation	68.22	0.61%
	Total Purchase in FY 2021-22		<b>11,182.59</b>

Sl. No.	Name of Suppliers	Total Purchase	in % of Total Purchase
1	Vaxtex Cotfab Limited	325.66	25.73%
2	Miracle Stores Private Limited	275.81	21.79%
3	Liverpool Fashions Pvt. Ltd.	88.86	7.02%
4	K R Garments	32.76	2.59%
5	Guganram Textiles Limited	23.52	1.86%
6	Anubha Industries Pvt. Ltd.	22.48	1.78%
7	Urja Hybrid India Pvt. Ltd.	13.69	1.08%
8	Krunal Corporation	10.17	0.80%
9	Navkar Textile	7.21	0.57%
10	Anand Creation	6.07	0.48%
	Total Purchase in FY 2020-21		<b>1,265.52</b>

Sl. No.	Name of Suppliers	Total Purchase	in % of Total Purchase
1	Qmin Pharma Pvt. Ltd.	327.81	45.60%
2	Vaxtex Cotfab Limited	292.38	40.67%
3	Deepti Alloy Steel Ltd.	31.82	4.43%
4	Navkar Textile	6.23	0.87%
5	K R Garments	6.08	0.85%
6	Immortal Genial Private Limited	5.64	0.78%
7	Anand Creation	4.22	0.59%
8	Enzo Fashion	4.11	0.57%
9	Star Corporation	3.82	0.53%
10	Mahalaxmi Creation	2.97	0.41%
	Total Purchase in FY 2019-20		<b>718.94</b>

### 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 March 31, 2022	Outstanding Amount as on March 31, 2021
<b>Stitched Textiles Limited</b>				
<b>I</b>	<b>Fund based</b>			
	Term Loan	-	-	-
	Working Capital Term Loan	-	-	-
	Funded Interest Term Loan	-	-	-
	Bank Overdraft	-	-	6,21,215
	<b>Total fund based</b>	-	-	6,21,215
<b>II</b>	<b>Non-fund based</b>			
	Bank Guarantee / Corporate Guarantee	-	-	-
	<b>Total non-fund based</b>	-	-	-
	<b>Total (I+II) (A)</b>	-	-	6,21,215
<b>Subsidiary,</b>				
<b>III</b>	<b>Fund based</b>			
		-	-	-
	<b>Non-fund based</b>			
	<b>Total (B)</b>	-	-	-
<b>Step down Subsidiary,</b>				
<b>IV</b>	<b>Fund based</b>			
		-	-	-
	<b>Non-fund based</b>			
	<b>Total non-fund based (C)</b>	-	-	-
	<b>Total (A+B+C)</b>	-	-	6,21,215

#### Details of Unsecured Borrowings

No.	Name of the Company	Outstanding Amount as on March 31, 2022	Outstanding Amount as on March 31, 2021
<b>I</b>	<b>Stitched Textiles Limited</b>		
	Loan from Director	-	-
	Loan from Related Parties	11,474,471	-
	Inter Corporate Deposit	310,41,788	239,71,788
	Loan from Others	46,80,000	21,56,438
	<b>Total</b>	47,196,259	261,28,226



**Details of Unsecured Borrowings**

Name of Lender	Purpose	Re-Payment Terms	Outstanding as on March 31, 2022	Outstanding as on March 31, 2021	Rate of Interest
Galaxy Consolidated Finance Limited	Working Capital Requirement	Payable on Demand	38,00,000	-	0% p.a.
Swastik Tradelink Pvt. Limited	Working Capital Requirement	Payable on Demand	15,00,000	15,00,000	0% p.a.
Vax Housing Finance Limited	Working Capital Requirement	Payable on Demand	7,70,000	4,20,000	0% p.a.
Aryavan Enterprise Ltd.	Working Capital Requirement	Payable on Demand	1,36,91,791	1,36,91,791	0% 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.
Mithlesh Agrawal	Working Capital Requirement	Payable on Demand	4,013,379	-	0% p.a.
Sejal Agrawal	Working Capital Requirement	Payable on Demand	10,00,000	-	0% p.a.
Vidhi Enterprise	Working Capital Requirement	Payable on Demand	6,461,092	-	0% p.a.
Prajapati Rajesh	Working Capital Requirement	Payable on Demand	-	7,86,438	0% p.a.
<b>Total</b>			<b>47,196,259</b>	<b>2,61,28,226</b>	

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

Dilip Maliwal  
Partner  
Membership No. 148387  
Place: Ahmedabad  
Date: 05th September, 2022  
UDIN: 22148387AUHKHN7901

**OTHER FINANCIAL INFORMATION**
**Statement of Accounting & Other Ratios, As Restated**
*Rs. In Lakhs*

<b>Particulars</b>	<b>31-03-2022</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
Net Profit as Restated	63.91	30.36	0.47
Add: Depreciation and amortization expenses	3.79	1.50	1.81
Add: Interest on Loan	22.60	3.26	0.04
Add: Income Tax	24.95	10.88	0.25
EBITDA	115.25	46.01	2.58
EBITDA Margin (%)	1.07%	3.73%	0.38%
Net Worth as Restated	757.26	213.47	2.61
Return on Net worth (%) as Restated	8.44%	14.22%	17.91%
Equity Share at the end of year (in Nos.)	60.49	4.61	0.10
Weighted No. of Equity Shares	42.73	1.21	0.10
Basic & Diluted Earnings per Equity Share as Restated	0.15	25.04	4.67
Net Asset Value per Equity share as Restated	1.25	46.28	26.09

**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 Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit &amp; Loss) - Fictitious Assets

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**

<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
(a) Current Ratio,	1.15	1.30	0.99	1.02
(b) Debt-Equity Ratio,	0.87	1.42	-	6.36
(c) Return on Equity Ratio,	8.42%	14.42%	17.91%	22.29%
(d) Inventory turnover ratio,	8.44	3.72	3.97	3.92
(e) Trade Receivables turnover ratio,	3.40	4.45	5.75	3.12
(f) Trade payables turnover ratio,	2.53	1.96	2.22	1.65
(g) Net profit ratio,	0.59%	2.50%	0.11%	0.22%

<b>Particulars</b>	<b>Numerator</b>	<b>Denominator</b>
(a) Current Ratio	Current Assets	Current Liabilities
(b) Debt-Equity Ratio,	Total Debt	Total Shareholder's Equity
(c) Return on Equity Ratio,	Net Income	Shareholder's equity
(d) Inventory turnover ratio,	Cost of Goods Sold	Average Inventory
(e) Trade Receivables turnover ratio,	Net Credit Sales	Average Trade Receivables
(f) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables
(g) Net profit ratio,	Net Profit	Sales

## 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, 2021 and 2022, is based on our Restated Consolidated Summary Statements, included in this Draft Prospectus. For further information, see "Financial Statements" on page 194.*

*This Draft 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 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 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 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](http://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 80 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](http://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.

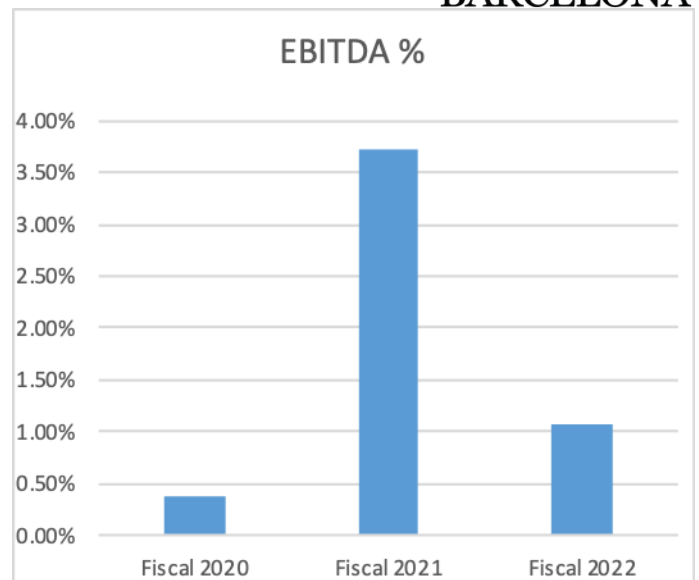
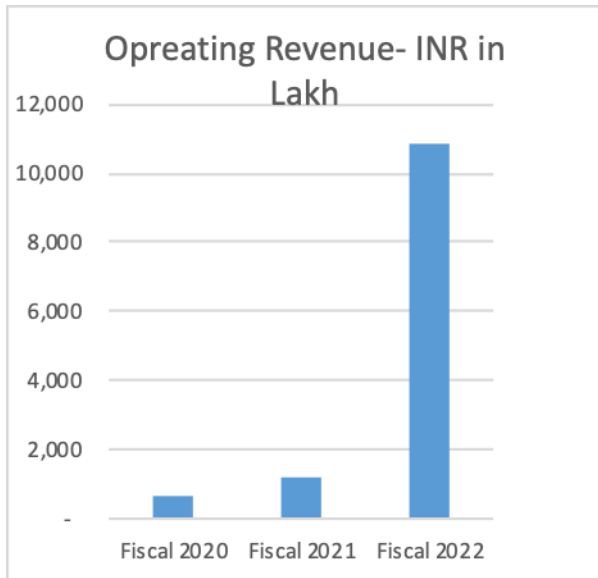
Further Our company has planned to create its presence in more than 10,000 Multi brand garment shops for which the company has launched 'Barcelona for business' B2B app, which allows users to place bulk orders on the app and get the stock delivered at their store directly from the company. This business 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 10.38% of our revenue from operations in Fiscals 2020, 2021, 2022 respectively.

As per Restated Consolidated Financial Statement, In fiscal 2022, 2021 and 2020, our revenue from operations was ₹ 10,817.04 lakh, ₹ 1232.89 lakh, ₹ 680.76 lakh and ₹ 303.92 lakh, respectively and our restated total profit after Tax for the year was ₹ 64.56 lakh, ₹ 30.36 lakh and ₹ 0.47 lakh respectively. Our EBITDA was ₹ 115.90 lakh, ₹ 46.01 lakh and ₹ 2.58 lakh for Fiscals 2022, 2021 and 2020 respectively. Our EBITDA Margin (EBITDA as a percentage of our total income) was 1.07%, 3.73% and 0.38% for Fiscals 2022, 2021 and 2020 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 March 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](http://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 1.23% of our revenue from operations attributable to sales through online channels for the year ended March 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:

<b>Particulars</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>	<b>Fiscal 2019</b>
Purchase of Fabrics	7772.84	761.42	453.46	211.24
Purchase of Garments	3229.99	496.94	254.04	62.32
Contract Manufacturing Cost	132.87	3.61	9.43	-
Others (includes hangers, packaging material, paper bags etc.)	36.12	3.56	2.01	20.51
<b>Total</b>	<b>11171.83</b>	<b>1,265.52</b>	<b>718.94</b>	<b>294.06</b>

#### ***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, 2021 and 2022, our employee benefit expenses were ₹ 38.26 lakh, ₹ 37.03 lakh, ₹36.80 lakh and ₹ 291.38 lakh, respectively, which constituted 12.59%, 5.44%, 2.98% and 2.70% 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 2022, amounted to ₹ 229.34 lakh, ₹ 602.21 lakh, ₹ 1098.49 lakh, and ₹9714.72 lakh respectively, which represented 75.46%, 88.46%, 89.10% and 89.99%, 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, 2021 and 2022, we had trade payables of ₹ 203.10 lakh, ₹ 445.39 lakh, ₹ 846.35 lakh and ₹ 7973.91 lakh, respectively, and trade receivables of ₹ 83.57 lakh, ₹ 153.15 lakh, ₹ 400.50 lakh and ₹ 5951.01 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 2021 and 2022, we had trade payables turnover ratio of 1.65%, 2.22%, 1.96% and 2.53% respectively, and trade receivables turnover ratio of 3.12%, 5.75%, 4.45% and 3.40% respectively.

## **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 March 31, 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 March 31, 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 Prospectus 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 March 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 year ended on March 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, 2022, 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.

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.

### 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 derecognizes 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) Imp airmment 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 March 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 year ended March 31, 2022 and for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019.

Particulars	For the year ended					
	3/31/2022	% of Total Revenue	3/31/2021	% of Total Revenue	3/31/2020	% of Total Revenue
<b>(1) Revenue</b>						
(a) Revenue from Operations	10,817.04	99.52%	1,232.89	97.09%	680.76	99.94%
(b) Other Income	52.04	0.48%	36.92	2.91%	0.40	0.06%
<b>Total Revenue (1)</b>	<b>10,869.08</b>	<b>100.00%</b>	<b>1,269.81</b>	<b>100.00%</b>	<b>681.16</b>	<b>100.00%</b>
<b>(2) Expenses</b>						
Cost of Material Consumed	-	0.00%	-	-	-	-
Traded Purchase	11,194.82	103.00%	1,265.52	99.66%	718.94	105.55%
Change in Inventories	(1,527.19)	-14.05%	(168.88)	-13.30%	(118.91)	-17.46%
Employee Benefit Expenses	288.82	2.66%	36.80	2.90%	37.03	5.44%
Other Expenses	790.48	7.27%	89.85	7.08%	40.19	5.90%
<b>Total Expenses (2)</b>	<b>10,746.93</b>	<b>98.88%</b>	<b>1,223.30</b>	<b>96.34%</b>	<b>677.26</b>	<b>99.43%</b>
<b>(3) Profit/(Loss) before Interest, Depreciation and Tax (1-2)</b>	<b>122.16</b>	<b>1.12%</b>	<b>46.51</b>	<b>3.66%</b>	<b>3.90</b>	<b>0.57%</b>
Depreciation & Amortisation Expenses	3.79	0.03%	1.50	0.12%	1.81	0.27%
<b>(4) Profit/(Loss) before Interest and Tax</b>	<b>118.37</b>	<b>1.09%</b>	<b>45.01</b>	<b>3.54%</b>	<b>2.09</b>	<b>0.31%</b>
Financial Charges	29.01	0.27%	3.26	0.26%	1.37	0.00
<b>(5) Profit/(Loss) before Tax</b>	<b>89.36</b>	<b>0.82%</b>	<b>41.74</b>	<b>3.29%</b>	<b>0.72</b>	<b>0.11%</b>
Share of Profit (Loss) from Associate	0.15	-	(0.50)	-	-	-
<b>(6) Profit/(Loss) before Tax</b>	<b>89.51</b>	<b>0.82%</b>	<b>41.24</b>	<b>3.25%</b>	<b>0.72</b>	<b>0.11%</b>
<b>Tax expense</b>						
(a) Current Tax	22.98	0.21%	10.89	0.86%	0.36	0.05%
(b) Deferred Tax	1.96	0.02%	(0.04)	0.00%	(0.11)	-0.02%
(c) Previous year Tax	-	-	0.03	-	-	-
<b>Total Tax Expenses</b>	<b>24.95</b>	<b>0.23%</b>	<b>10.88</b>	<b>0.86%</b>	<b>0.25</b>	<b>0.04%</b>
<b>(7) Profit/(Loss) for the period/ year</b>	<b>64.56</b>	<b>0.59%</b>	<b>30.36</b>	<b>2.39%</b>	<b>0.47</b>	<b>0.07%</b>

### Financial Performance Highlights for the period ended March 31, 2022

**Total Revenue Income:** Our Company's total revenue during the period (Apr 01, 2021 to March 31, 2022) was ₹ 10,869.08 Lakhs. The revenue from operation was ₹ 10,817.04 Lakhs which is almost 99.52% 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 March 31, 2022) was ₹ 10,746.93 Lakhs. The total expenditure is ~98.88% of total revenue. The main constituent of total expenditure is Purchase of Traded Goods which was ₹ 11,194.82 Lakhs, almost ~103.00% 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 March 31, 2022) was ₹ 122.16 Lakhs which is 1.12% of total revenue.

**Depreciation Expenses:** The depreciation expenses as per restated financials for the said period (April 01, 2021 to March 31, 2022) was ₹ 3.79 Lakhs which is 0.03% of total revenue.

**Finance Cost:** The finance cost as per restated financials for the said period (April 01, 2021 to March 31, 2022) was ₹ 29.01 Lakhs which is 0.27% 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 March 31, 2022) was ₹ 64.56 Lakhs which is 0.59% of total revenue.

### Comparison of the Financial Performance of Fiscal 2022 with Fiscal 2021

**Total Revenue Income:** During the FY 2021-22 the revenue from operation and other income of the Company increased to ₹ 10,869.08 Lacs as against ₹ 1269.81 Lacs in the FY 2020-21 representing an increase of 755.96% from last year.

**Total Expenses:** The total expenditure excluding depreciation, Interest and tax amount, for the FY 2021-22 has increased to ₹ 10,746.93 Lacs as against ₹1223.30 Lacs in the 2020-21 representing an increase of 778.52% 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 2021-22 has increased to ₹1527.19 Lacs as against ₹168.88 Lacs in the FY 2020-21 representing an increase of 804.32% 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 2021-22 has been increased to ₹ 288.82 Lacs as against ₹36.80 Lacs in the FY 2020-21 representing an increase of 684.80% from last year.

**Other Expenses:** The other Expense for the FY 2021-22 has increased to ₹ 790.48 Lacs as against ₹89.85 Lacs in the FY 2020-21 representing an increase of 779.76% from last year. This increase was mainly due to increase in volume of operation during the FY as mentioned in the Revenue from operations.

**Finance Expenses:** The finance cost of the company for the FY 2021-22 has increased to ₹29.01 Lacs as against ₹3.26 Lacs in the FY 2020-21 representing an increase of 788.62% from last year.

**Depreciation and Amortization Expense:** The Depreciation and Amortization Expense for FY 2021-22 has increased to ₹3.79 Lacs as against ₹1.50 Lacs in the FY 2020-21.

**Profit/ (Loss) Before Tax:** The profit before tax was ₹ 89.36 Lacs in FY 2021-22 as against profit before tax of ₹41.24 Lacs in the FY 2020-21.

**Profit/ (Loss) After Tax:** We have earned profit after tax of ₹ 64.56 Lacs in FY 2021-22 as against profit of ₹ 30.36 Lacs in the FY 2020-21.

### 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 ₹1223.30 Lacs as against ₹ 677.26 Lacs in the FY 2019-20 representing an increase of 80.63% 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 0.62% from last year.

**Other Expenses:** The other Expense for the FY 2020-2021 has increased to ₹89.85 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 138.46% 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 earned profit before tax of ₹41.24 Lacs in FY 2020-21 as against profit before tax of ₹0.72 Lacs in the FY 2019-20.

**Profit/ (Loss) After Tax:** We have incurred profit after tax of ₹ 30.36 Lacs in FY 2020-21 as against profit after tax of ₹ 0.47 Lacs in the FY 2019-20.

## 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	Fiscal 2021	Fiscal 2021	Fiscal 2020
Net Cash from/(used in) Operating activities	(265.75)	13.93	(34.38)
Net Cash from/(used in) Investing Activities	(195.00)	(787.32)	59.04
Net cash from/(used in) Financing Activities	1,010.14	744.48	(1.37)
Net Increase/(Decrease) in cash & cash equivalents	549.40	(28.91)	23.29
Cash & cash equivalents at the beginning of the period/year	12.91	41.83	18.55
Cash & cash equivalents at the end of the period/year	562.31	12.92	41.83

## Operating Activities

### Fiscal 2022

In Fiscal 2022, net cash from operating activities was ₹ (265.75) lakh. Profit before tax (after exceptional items) was ₹ 89.51 lakh and adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of finance cost of ₹ 29.01 lakh and depreciation and amortisation of ₹ 3.79 lakh. This was partially offset by interest income of ₹ 52.04 lakh. The main working capital adjustments in year ended March 31, 2022 included increase in trade receivables of ₹ 5,509.83 lakh, increase in inventories of ₹ 1,527.19 lakh, increase in trade payable of ₹ 7,128.06 lakh, increase in other current assets of ₹51.48 lakh, decrease in other current liabilities of ₹ 363.67 lakh and increase in provisions of ₹ 11.08 lakh. This was offset by income tax paid (net) aggregating to ₹ 22.98 lakh.

***Fiscal 2021***

In Fiscal 2021, net cash from operating activities was ₹ 13.93 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 ₹ 13.65 lakh. The main working capital adjustments in Fiscal 2021 included increase in trade receivables of ₹ 247.35 lakh, increase in inventories of ₹ 168.88 lakh, increase in trade payable of ₹ 400.96 lakh, increase 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 ₹ (34.38) 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 assets of ₹ 159.20 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.

**Investing Activities*****Fiscal 2022***

Net cash used from investing activities was ₹ (194.80) lakh in the year ended March 31, 2022, primarily on account of purchase of property, plant and equipment (including intangible assets and capital advances) aggregating to ₹ 109.97 lakh, Increase in non – current investment of ₹ 2.27 lakh, and increase in loans of ₹ 134.80 lakh, offset by proceeds from interest received aggregating to ₹ 52.04 lakh.

***Fiscal 2021***

Net cash from investing activities was ₹ (787.32) 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, Increase in non – current investment of ₹ 45.00 lakh, and increase in loans of ₹ 750.97 lakh, offset by proceeds from interest received aggregating to ₹ 13.65 lakh.

***Fiscal 2020***

Net cash from investing activities was ₹ 59.04 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 ₹ 60.38 lakh.

**Financing Activities*****Fiscal 2022***

Net cash from financing activities was ₹ 1010.14 lakh in the year ended March 31, 2022, on account of borrowings (net) of ₹ 204.47 lakh, issue of shares of ₹ 34.52 lakh, increase in share premium of ₹ 445.36 lakh, other long-term liabilities of ₹ 354.80 lakh. This was partially offset by finance cost of ₹ 29.01 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 from financing activities was ₹ (1.37) lakh in Fiscal 2020, on account of finance cost of ₹ 1.37 lakh.

**INDEBTEDNESS**

As of March 31, 2022, we had total borrowings amounting to ₹ 471.96 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 March 31, 2022:

₹ in lakh

Nature of Borrowing	Outstanding Amount as on March 31, 2022	Outstanding Amount as on March 31, 2021
Unsecured Loan	471.96	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	March 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	12.93	0.12	6.00	0.49	-	-	2.93	0.96
Purchase of Goods	399.04	3.68	601.45	48.78	620.19	91.10	6.22	2.05
Sale of Goods	4,240.16	39.09	677.88	54.98	576.41	84.67	78.55	25.85
Purchase of Fixed Assets	66.04	0.61	-	-	-	-	-	-
Advances Given	134.12	1.24	581.99	47.21	443.04	65.08	223.21	73.44
Advances Received	100.76	0.93	263.47	21.37	528.66	77.66	242.51	79.80
Reimbursement of Expenses	17.05	0.16						
Outstanding Trade Receivables	2,794.86	25.76	233.70	18.96	32.98	4.84	-	-
Outstanding Business Advances	5.85	0.05	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	0.27	0.00	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, 2021 and 2022.

**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., March 31, 2022.***

Except as set out in this Draft Prospectus and herein below, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft 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 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.

**CAPITALISATION STATEMENT**
**Statement of Capitalization, As Restated**

Particulars	Pre-Issue	Post Issue*
	31-03-2022	
<b>Debt:</b>		
Short Term Debt	471.96	924.00
Long Term Debt	-	-
<b>Total Debt</b>	<b>471.96</b>	<b>924.00</b>
<b>Shareholders' Funds</b>		
Equity Share Capital	604.86	844.86
Reserves and Surplus	152.39	4858.39
Less: Misc. Expenditure	-	-
<b>Total Shareholders' Funds</b>	<b>757.26</b>	<b>5703.25</b>
<i>Long Term Debt/ Shareholders' Funds</i>	-	
<i>Total Debt / Shareholders Fund</i>	<i>0.62</i>	<i>0.16</i>

\* Assuming Full Allotment of IPO shares

**Notes:** Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long-term debt included in other current liabilities

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non-payment of statutory dues, over dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act, 1956 and/or paragraph (i) of Part I of Schedule V of the Companies Act, 2013) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters, its Directors or it's Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.*

#### **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 the Draft 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.79.92 lakhs. It was also alleged that, in spite 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 has provided reply to M/s Shree Rang Logistics Private Limited and no further communication has been received by the Company.

### 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 :As mentioned below:

**The State of Gujarat Vs. Viru Retail Private Limited, Jaimin Gupta & Ors.**

<b>Court/Authority</b>	Labour Court, Ahmedabad, 3-Judge, Labour Court SD. CC/403/2022
<b>Section Code/Category/Act</b>	Minimum Wages Act, 1948, Under Section 22
<b>Date of Filing</b>	15/06/2022
<b>Case Details</b>	The Petitioner filed this case against the Respondents and alleged that the company has not paid salary to the employee since long. Subsequently, company has settled the matter and paid all the dues to employee. As the settlement has arrived between the parties, the same will be taken on record on the next date i.e. 12th October, 2022. The proceeding pending before the Hon'ble court.
<b>Case status</b>	Pending

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 DIRECTORS**

**1. Litigation Involving Criminal matters:**

**Jaimin Gupta & Others**  
**V/s**  
**The State of Gujarat**

<b>Sl No.</b>	<b>Case No.</b>	<b>Court</b>	<b>Brief Facts</b>	<b>Status</b>
1.	SCA No. 6290/2020	High Court of Gujarat, Ahmedabad	<p>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.</p> <p>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.</p> <p>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.</p>	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**

<b>Sl No.</b>	<b>Case No.</b>	<b>Court</b>	<b>Brief Facts</b>	<b>Status</b>
1.	6290/2020	High Court of Gujarat, Ahmedabad	<p>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.</p> <p>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.</p> <p>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.</p>	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 GROUP ENTITIES**
**1. Litigation Involving Criminal matters:As mentioned below**

**The State of Gujarat Vs. Viru Retail Private Limited, Jaimin Gupta &Ors.**

<b>Court/Authority</b>	Labour Court, Ahmedabad,3- Judge, Labour Court SD. CC/403/2022
<b>Section Code/Category/Act</b>	Minimum Wages Act, 1948,Under Section 22
<b>Date of Filing</b>	15/06/2022
<b>Case Details</b>	The Petitioner filed this case against the Respondents and alleged that the company has not paid salary to the employee since long. Subsequently, company has settled the matter and paid all the dues to employee. As the has been settlement arrived between the parties,the same will be taken on record on the next date i.e. 12th October, 2022.The proceeding pending before the Hon'ble court.
<b>Case status</b>	Pending

**2. Litigation Involving Civil matters: NIL**
**3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
**4. Litigation involving Tax Liabilities**
**(i) Direct Tax Liabilities:**

**VaxtexCotfab Ltd. (formally VaxtexCotfab Pvt. Ltd.):**

<b>A. Y.</b>	<b>Section Code</b>	<b>Date of Demand</b>	<b>Amount</b>	<b>Particulars and status</b>
2012-2013	143(2) and 142(1)	21/03/2018	3,10,26,488	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.1,82,59,380/- 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**
**VI. Penalties imposed in past cases for the last five years:**

**Vaxtex Cotfab Limited:**

- A penalty of Rs.25,000/- (plus Rs.4,500 as GST) was levied by the National Stock Exchange of India Limited on VaxtexCotfab Pvt. Ltd. for delayed filing of Financial Results under Regulation 33 of SEBI (LODR) Regulations for the quarter/year ended 31<sup>st</sup> March, 2020. The Company has paid the penalty on 26<sup>th</sup> March, 2021.
- A penalty of Rs.6,000/- (plus Rs.1080 as GST) was levied by the National Stock Exchange of India Limited on VaxtexCotfab 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 25<sup>th</sup> 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:

Name	Balance as on 31.01.2022
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)	-
Total Outstanding dues to Creditors other than MSME	37,55,54,642

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 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*" 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.



### 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 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 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 August 26, 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 Annual General Meeting held on September 19, 2022 authorized the Issue.
3. 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.
4. 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 “ <b>Stitched Textiles (OPC) Private Limited</b> ”	ROC – Ahmedabad	U17120GJ2015O PC084962	02/11/2015	Perpetual
2	Fresh Certificate of Incorporation consequent upon conversion to Private Limited Company as “ <b>Stitched Textiles Private Limited</b> ”	ROC – Ahmedabad	U17120GJ2015P TC084962	11/11/2019	Perpetual
3	Fresh Certificate of Incorporation consequent upon conversion to Public Limited Company as “ <b>Stitched Textiles Limited</b> ”	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	GJAHD2548642000	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 ISSUE

Our Board of Directors have vide resolution dated August 26, 2022, authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The Shareholders of our Company have, by a special resolution passed at an AGM held on September 19, 2022, approved and authorized the Issue.

The Company has obtained approval from BSE, vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of BSE Limited i.e. BSE SME. BSE is the designated stock exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, Promoters, Promoter Group, Directors, Person(s) in Control of the Promoter of our Company, 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 other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

None of the companies with which our Promoter, Directors or Persons in Control of our Company are Promoter, Director or Persons in Control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Promoter, Promoter Group, Directors have not been declared as fugitive economic offenders.

### PROHIBITION BY RBI

We confirm that neither our Company nor our Promoters or members of the Promoter Group or Directors or Person(s) in Control of the Promoter of our Company, have been identified as a wilful defaulter or a fraudulent borrower or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Prospectus.

### ASSOCIATION WITH SECURITIES MARKET

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against them by SEBI at any time except as stated under the Sections titled “**Risk Factors**”, and “**Our Group Companies**” and Chapters titled “**Our Promoter**”, and “**Outstanding Litigations and Material Developments**” beginning on pages 25, 188, 185 and 256 respectively, of this Draft Prospectus.

### ELIGIBILITY FOR THIS ISSUE

Our Company has complied with the conditions of Regulation 230 of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(1) of the SEBI ICDR Regulations as we are an Issuer whose post issue paid up capital is less or equal to Rs. 10 Crore. Accordingly, our Company is proposing to issue its Equity Shares to Public and subsequent listing thereof on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case

being the SME Platform of BSE Limited i.e. BSE SME).

We confirm that:

1. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "**General Information**" beginning on page 35.
2. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 4 (Four) Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4<sup>th</sup> (Fourth) Day, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI ICDR Regulations.
3. In accordance with Regulation 246 the SEBI ICDR Regulations, we have not filed this Draft Prospectus with SEBI nor has SEBI issued any observations on our Draft Prospectus. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 261(1) of the SEBI ICDR Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "**General Information**" beginning on page 35.

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME Platform of BSE Limited in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

1. Our Company was incorporated on November 02, 2015, under the Companies Act, 2013 with the Registrar of Companies, Delhi.
2. As per the restated financial statement, the net tangible assets of the company is more than Rs. 1.50 Crore as on March 31, 2022, so, the company has fulfilled the criteria of minimum tangible assets not being less than Rs. 1.50 Crore.
3. The Net worth (excluding revaluation reserves) of the Company is positive as per the latest restated financial statement.
4. The Net worth and Cash Accruals of the Company as per the restated financial statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 are as set forth below:

(Amount in Rs. Lakhs)

Particulars	For year ended		
	March 31, 2022	March 31, 2021	March 31, 2020
Net Worth*	757.26	213.47	2.62
Cash Accruals**	92.65	42.75	2.53

\* Net worth means sum of paid up capital, reserves (excluding revaluation reserves) and Share premium, if any.

\*\*Cash Accruals means Earnings before depreciation and tax as per the restated financial statements of our Company.

5. Our Company has positive cash accruals (earnings before depreciation and tax) from operations in at least one year out of last three years.
6. As on the date of this Draft Prospectus, our Company has a paid up capital of Rs. 604.86 Lakh and the Post Issue Paid-up Equity Share Capital will be Rs. 824.86 Lakh which is less than Rs. 2,500 Lakh.

7. Our Company shall mandatorily facilitate trading in demat securities. The Company has entered into an agreement for registration with the Central Depository Services (India) Limited (CDSL) dated March 09, 2022 and National Securities Depository Limited (NSDL) dated March 04, 2022 for establishing connectivity.
8. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
9. There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
10. 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 25.

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.

11. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority, against our Company in past three years.
12. There has been no change in the promoter(s) of the Company in the preceding one year from date of filing application with BSE Limited for listing on SME Platform of BSE Limited.
13. We have a website: [www.barcelonaclub.in](http://www.barcelonaclub.in)

Other Disclosures:

1. We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Draft Prospectus.
2. There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
3. We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter "Outstanding Litigations & Material Developments" on page no. 256 of this Draft Prospectus.
4. We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter "Outstanding Litigations & Material Developments" on page no. 167 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform. BSE is the Designated Stock Exchange.



- Our Company has entered into an agreement dated August 25, 2020 with NSDL and agreement dated September 04, 2020 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company have shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is funding of working capital requirements and general corporate purpose and issue expenses, for details, please refer the chapter “Objects of the Issue” on page 55 of this Draft Prospectus.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S) M/S TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI AND STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS."**

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in the Draft Prospectus/Prospectus, or in case of the Company, in any advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our Company's website [www.barcelonaclub.in](http://www.barcelonaclub.in), would be doing so at his or her or its own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding dated August 18, 2022, the Underwriting Agreement dated August 18, 2022 entered into by and between Our Company with the Lead Manager, Underwriter and the Market Maker, as the case maybe.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at



road show presentations, in research or sales reports, at collection centres or elsewhere.

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.

The Applicants who apply in the Issue 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 Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company our Group Companies and their respective 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 and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue 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, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds (“AIFs”), Foreign Portfolio Investors registered with SEBI (“FPIs”) and QIBs. This Draft Prospectus does not, however, 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 Draft Prospectus comes is required to inform himself 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) at New Delhi, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with SME Platform of BSE for its observations and BSE will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED**



BSE Limited ("BSE") has vide its letter dated [●] given permission to "Stitched Textiles Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company.

BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer documents; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the Equity Shares are offered by the Company and investors are informed to take the decision to invest in the Equity Shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the Equity Shares are offered by the Company is determined by the Company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai".

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING**

The Draft Prospectus has not been filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(5) the SEBI ICDR Regulations. However, a copy of the Prospectus will be filed with SEBI, Northern Regional



Office, NBCC Complex, Office Tower-1, 8<sup>th</sup> Floor, East Kidwai Nagar, New Delhi - 110023, Delhi. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the ROC, Delhi situated at 4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.

## **LISTING**

The Equity Shares of our Company are proposed to be listed on SME Platform of the BSE Limited (“BSE SME”).

Our Company has obtained in-principle approval from BSE SME vide their letter ref no. [●] dated [●] for listing of Equity Shares on SME Platform of the BSE Limited.

BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. In terms of Regulation 272(2) of SEBI ICDR Regulations, if the permission to deal in and for an official quotation of the Equity Shares on the BSE SME is not granted by BSE, our Company shall refund through verifiable means the entire monies received within four days of receipt of intimation from Stock Exchange rejecting the application for listing of specified securities. If such money is not repaid within 4 (four) days from the date our Company becomes liable to repay it, then our Company and every Director of our Company who is an officer in default shall, on and from expiry of 4<sup>th</sup> (Fourth) day, be jointly and severally liable to repay such application money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within six working Days from the Issue Closing Date.

## **CONSENTS**

Consents in writing of (a) Our Directors, Promoter and Promoters Group, Company Secretary & Compliance Officer, Chief Financial Officer & Chief Executive Officer, Peer Review Auditor and Statutory Auditors, Banker(s) to the Company; (b) Lead Manager, Underwriters, Market Maker, Registrar to the Issue, Banker to the Issue and Legal Advisor to the Issue to act in their respective capacities shall be obtained as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

Our Company has received consent of our Statutory Auditors, M/s V.N.Purohit & Co., Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act 2013 in this Draft Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act 2013 in respect of the examination report of the Statutory Auditors on the Restated Financial Statements dated August 18, 2022 and the Statement of Special Tax Benefits dated August 18, 2022 included in this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under Securities Act.

## **EXPERT OPINION**

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

- Report on the Statement of Special Tax Benefits dated August 18, 2022.
- Report of the Statutory Auditors on the Restated Financial Statements dated August 18, 2022.

## **PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS**

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Prospectus. Further, except as disclosed in “**Capital Structure**” on page 44 our Company has not undertaken any rights issue in the five years preceding the date of this Draft Prospectus.

## **COMMISSION OR BROKERAGE ON PREVIOUS ISSUES IN THE LAST FIVE YEARS**

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Prospectus.

## **CAPITAL ISSUES IN THE PRECEDING THREE YEARS**

Except as disclosed in “**Capital Structure**” on page 44, our Company has not made any capital issues during the three years preceding the date of this Draft Prospectus. Further, none of the listed group companies/subsidiaries/associates of

Our Company have made any capital issue in three years preceding the date of this Draft Prospectus.

**PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF OUR COMPANY**

Our Company has not undertaken any public issues in the five years preceding the date of this Draft Prospectus. Further, except as disclosed in “Capital Structure” on page 44, our Company has not undertaken any rights issue in the five years preceding the date of this Draft Prospectus. The objects for which the rights issue was undertaken has been achieved without any delay or shortfall.

**PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED PROMOTER/LISTED SUBSIDIARY/LISTED GROUP COMPANIES/LISTED ASSOCIATES OF OUR COMPANY**

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 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
Vaxtex Cotfab Limited*	2019-20	IPO	383.04	03/01/2020	08/01/2020 & 10/01/2020	N.A.	N.A.

\* *Vaxtex 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 Prospectus of Vaxtex Cotfab Limited (Group Company)**

Securities and Exchange Board of India  
 Welcome: Ms. Nidhi Bansal, Compliance Officer, VAXTEX COTFAB LIMITED

SCORES

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

<b>Total Complaints Received</b>	0
<b>Total Resolved Complaints</b>	0
<b>Total Pending Complaints</b>	0
<b>Total Complaints Withdrawn</b>	0
<b>ATR/REPLY Sent and Pending With SEBI</b>	0
<b>Review(s) received</b>	<a href="#">Click Here</a>
<b>Direct complaint(s) received from investor</b>	<a href="#">Click Here</a>
<b>New Complaints from SEBI (For Assessment)</b>	--
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	--

**PRICE INFORMATION OF PAST ISSUES HANDLED BY THE LEAD MANAGER**

**Table 1 - Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Turnaround Corporate Advisors Private Limited**

S. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price [+/- % change in closing benchmark] 30 <sup>th</sup> calendar days from listing	+/- % change in closing price [+/- % change in closing benchmark] 90 <sup>th</sup> days from listing	+/- % change in closing price [+/- % change in closing benchmark] 180 <sup>th</sup> calendar days from listing
1.	Adishakti Loha and Ispat Limited	2.002	11.00	October 13, 2021	12.00	-12.02% (19.97%)	-13.16% (152.33%)	-34.12%^ (92.41%)

Note:

1. The BSE SME has been considered as the Benchmark Index

2. The 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar days from listed day have been taken as listing day plus 30, 90 and 180 calendar days.

3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE of the next trading day has been considered

4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrip is not traded then last trading price has been considered.

^ Since there is no trading in the shares of Adishakti Loha and Ispat Limited on 180<sup>th</sup> calendar days from listed day which is April 11, 2022, we have considered the closing price of last trading day in the shares of Adishakti Loha and Ispat Limited which is April 07, 2022.

**Table 2 - Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Turnaround Corporate Advisors Private Limited**

Financial Year	Total No. of IPOs	Total amount of funds raised (Rs. In Cr)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	1	2.002	-	-	1	-	-	-	-	1	-	-	-	-

2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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## **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 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 Issue for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchange, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

Our Company shall promptly, upon receipt of in-principle approval from BSE, obtain authentication on the SCORES and shall comply with the SEBI circulars (CIR/OIAE/1/2013) dated April 17, 2013 and (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Applicants can contact the Company Secretary and Compliance Officer, the Lead Manager or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, 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, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as name of the sole or First Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant 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 Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicants whose Application 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.

Our Company, the Lead Manager and the Registrar 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**

We estimate that the average time required by our Company and/or the Registrar to the Issue 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** 1<sup>st</sup> 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.

## SECTION VII: OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the Offer to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the "UPI Circular") in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 ("UPI Phase II"). Further SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice. SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022 had revised the UPI Limit from Rs.2 lakhs to Rs. 5 Lakhs. Therefore, all Individual Investors applying in Public Issues where the application amount is upto Rs.5 Lakhs shall use UPI and shall also provide their UPI ID in the bid-cum-application.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled "Main Provisions of the Articles of Association of our Company" beginning on page 167 of this Draft Prospectus.

#### Authority for the Present Issue

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 26, 2022 and approved by the shareholders of our Company vide a special resolution at the Annual General Meeting held on September 19, 2022 pursuant to section 62(1)(c) of the Companies Act.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "Dividend Policy" and "Main Provisions of Article of Association" beginning on page no 89 and 167 respectively of this Draft Prospectus.

#### Face Value and Issue Price

The face value of the Equity Shares is Rs. 1/- each and the Issue Price is Rs.22/- per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” beginning on page 49 of the Draft Prospectus. At any given point of time there shall be only one (1) denomination for the Equity Shares, subject to applicable law.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Main Provisions of Articles of Association” beginning on page 167 of the Draft Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 5,000 Equity Shares and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 5,000 Equity Share subject to a minimum allotment of 5,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Minimum Number of Allottees**

In accordance with Regulation 268 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies collected shall be refunded within four (4) Working days of closure of Offer. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder, to the extent applicable and our Company shall be liable to pay interest on the application money in accordance with applicable laws. In case of an under subscription in the Offer, the Equity Shares proposed for sale by each Selling Shareholder shall be in proportion to the Offered Shares by such Selling Shareholder.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**The Equity Shares 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. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft 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 Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/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 the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **Period of Operation of Subscription List of Public Issue**

ISSUE OPENS ON        [•]  
ISSUE CLOSES ON     [•]

- *In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266(3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of sub-regulation 266(1).*

In terms of the UPI Circulars, in relation to the Offer, the Lead Manager 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. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Issuer shall be compensated at a uniform rate of Rs.100 per day for the entire duration of delay exceeding Four (4) Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. 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 this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

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 Applicant shall be compensated at a uniform rate of Rs. 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for



cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying 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 Applicant shall be compensated at a uniform rate Rs. 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 Application Amount, the Applicant shall be compensated at a uniform rate of Rs. 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 Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs. 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of Rs.100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Draft Prospectus may result in changes in the timelines.

**Submission of Application Forms:**

Issue period (except the Issue Closing Date)	
Submission and Revision of Application Form	Only between 10.00 a.m. and 5.00 p.m. IST
Issue Closing Date	
Submission and Revision of Application Form	Only between 10.00 a.m. and 3.00 p.m. IST

*On the Issue Closing Date, for uploading the Application Forms:*

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 03.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from SME Platform of BSE may be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

If the issuer does not receive the subscription of hundred per cent (100%) of the offer through Draft Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so offered under the Draft Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond Four (4) Working Days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a).

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 5,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is registered with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 33 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 167 of the Draft Prospectus.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

a) If the Paid-up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

**OR**

b) If the Paid-up Capital of our company is more than Rs.10 crores and the market capitalization of our equity is more than Rs. 25 crores and our company have been listed on SME Platform for at least two years, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein



the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

**Market Making**

The shares offered through this issue are proposed to be listed on the SME Platform of BSE Limited (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE Limited for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see “General Information” beginning on page 24 of the Draft Prospectus.

**New Financial Instruments**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

**Allotment of Equity Shares in Dematerialized Form**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Draft Prospectus:

- Tripartite agreement dated March 09, 2022 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated March 04, 2022 among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

**Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE Limited "BSE SME"). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 177 and 186 respectively of this Draft Prospectus.

Public issue of 2,20,00,000 equity shares of face value of Rs. 1.00/- each for cash at a price of Rs.22.00/- per equity share including a share premium of Rs.21.00/- per equity share (the "issue price") aggregating to Rs.4840.00 lakhs ("the issue") by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares	2,09,00,000* Equity Shares	11,00,000 Equity Shares
Percentage of Issue Size available for allocation	95.00% of the Issue Size.  25.34 % of the Post Issue Paid up capital	5.00 % of the Issue Size  1.33 % of the Post Issue Paid up capital
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 6,000 Equity Shares and Further allotment in multiples of 6,000 Equity Shares each. For further details, please refer to the section titled " <i>Issue Procedure</i> " on page 290 of this Draft Prospectus.	Firm Allotment
Mode of Application	Retail Individual Investors may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI Payment facility) shall apply through ASBA Only.	Through ASBA mode Only.
Minimum Application Size	<b><u>For QIB and NII:</u></b> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000 <b><u>For Retail Individuals:</u></b> Such number of equity shares where application size is of at least 6,000 Equity Shares.	1,04,50,000 Equity Shares
Maximum Bid	<b><u>For QIB and NII:</u></b> Such number of Equity Shares in multiples of 6,000 Equity Shares subject to limits the investor has to adhere under the relevant laws and regulations as applicable. <b><u>For Retail Individuals:</u></b> Such number of Equity Shares so that the Application Value does not exceed Rs. 2,00,000	1,04,50,000 Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	6,000 Equity Shares	6,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	In case of ASBA, the entire application amount shall be blocked at the time of	





Particulars	Net Issue to Public	Market Maker reservation portion
	submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

*\*50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below Rs.2,00,000 and the balance 50% of the shares are available for applications whose value is above Rs.2,00,000.*

**Note:**

- 1. In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*
- 2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- 3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details, please refer chapter titled “*Issue Procedure*” beginning on page 186 of this Draft Prospectus.

## ISSUE PROCEDURE

All Applicants should refer to the General Information Document for Investing in Public Issues prepared and issued in accordance with the SEBI Circular No. CIR/CFD/DIL/12/2013 dated October 23, 2013 and updated pursuant to the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, as amended and modified by SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (“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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document is available on the websites of the BSE and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue, especially in relation to the process for application by Retail Individual Investors 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.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) Payment Instructions for ASBA Applicants; (iii) Issuance of CAN and Allotment in the Issue; (iv) General instructions (limited to instructions for completing the Application Form); (v) designated date; (vi) disposal of applications; (vii) submission of Application Form; (viii) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (ix) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; and (xi) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) had proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanism for RIIs applying through Designated Intermediaries had been made effective along with the existing process and existing timeline of T+6 environment. The same was applicable until June 30, 2019 (“UPI Phase I”). Thereafter, application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds was discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) could only use the UPI mechanism with existing timeline of T+6 environment until March 31, 2020 (“UPI Phase II”). SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the current Phase II of the UPI ASBA till further notice.

Thereafter, SEBI, through circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, decided that all Individual Investors applying in Public Issues where the application amount is upto 5 Lakhs shall use UPI and shall also provide their UPI ID in the bid-cum-application form submitted with any of the entities mentioned herein below:

- i. a syndicate member
- ii. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
- iii. a depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- iv. a registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity).

This circular came into force for Public Issues opening on or after May 01, 2022 which meant that even NIIs can also place bids through UPI.

Our Company and the Lead Manager 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 Prospectus. Investors are advised to make their independent investigations and ensure that their applications 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 Prospectus and the Prospectus. Further, our Company and the members of syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

## PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL INVESTORS

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, the UPI Mechanism is being introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by Retail Individual Investors through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days.

Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

- (a) **Phase I:** This phase was applicable from January 1, 2019 till June 30, 2019. Under this phase, a Retail Individual Bidder had the option to submit the Bid cum Application Form with any of the Designated Intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- (b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, SEBI vide circular no circular SEBI/HO/CFD/DIL2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of Phase II until March 31, 2020. Under this phase, submission of the Bid cum Application Form by a RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.
- (c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of the English national newspaper, Business Standard, all editions of the Hindi national newspaper Business Standard, (since the Registered Office of the Company is located at Delhi and Hindi being the regional language, publication in a regional language newspaper is not required) on or prior to the Issue Opening Date and such advertisement shall also be made available to BSE for the purpose of uploading on its website.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Issuer will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors using the UPI Mechanism.

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.

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. The provisions of these circulars, are deemed to form part of this Draft Prospectus. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

## FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI ICDR Regulations, and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants. However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors Category where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number / UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI Mechanism) must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Applicants may participate in the Offer through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE SME i.e. [www.bsesme.com](http://www.bsesme.com).

All ASBA Bidders must provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of Retail Individual Investors), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by the Retail Individual Investors using third party bank account or using third party linked bank account UPI ID are liable for rejection. Retail Individual Investors bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.



The prescribed colour of the Application Form for various categories applying in this issue is as follows:

<b>Category</b>	<b>Colour</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)**	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)**	Blue*

\* Excluding electronic Application Form.

\*\* Application forms will also be available on the website of the BSE (www.bseindia.com). Same Application Form applies to all ASBA Applicants/ Retail Individual Applicants applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than Retail Individual Investors using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Retail Individual Investors 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 Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to Retail Individual Investors, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate Retail Individual Investors (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Issue shall provide the audit trail to the LM for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer bank shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer bank and Sponsor Bank on a continuous basis.

### **WHO CAN APPLY?**

Each Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Application Form and GID for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrelative constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Insurance companies registered with IRDAI;
- Mutual Funds registered with SEBI;
- FPIs other than Category III Foreign Portfolio Investor;
- Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Other Investors Category;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications should not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

**AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 03, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided they obtain a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for Equity Share allocation.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 (the “U.S. Securities Act”) or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The information below is given for the benefit of the applicants. Our Company, and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Applicants:**

The Application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

## **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of 6,000 Equity Shares. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI ICDR Regulations, a QIB Applicant cannot withdraw its Application and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

### **3. Minimum Bid Lot: 6,000 Equity Shares**

## **PARTICIPATION BY ASSOCIATES /AFFILIATES OF LM AND THE SYNDICATE MEMBERS**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

## **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

## **APPLICATIONS BY ELIGIBLE NRIS**

Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Applying on a repatriation basis could make payments through the ASBA process only by blocking the funds for the amount payable on application in their NRE Account or FCNR Accounts, maintained with banks authorised by the RBI to deal in foreign exchange.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by blocking the relevant funds in their NRE or FCNR account, as the case may be. Payment for Application by non-resident Applicants applying on a repatriation basis will not be accepted out of NRO accounts for the full Application amount, at the time of submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

## **APPLICATIONS BY HUF**

Application by Hindu Undivided Families or HUFs should be in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications by individuals.

## **APPLICATIONS BY FPI'S**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, 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 the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue 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 that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

## **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company without assigning any reason therefor.

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 (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) 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 timebound 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 (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) 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.

## **APPLICATIONS BY SCSB'S**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars 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 ASBA applications.



**APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS, ALTERNATIVE INVESTMENT FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI VCF Regulations and the SEBI FVCI Regulations, as amended, inter alia prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds in various prescribed instruments, including in public offerings.

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 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 Regulations.

All Non-Resident Applicants including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I or II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Draft Prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I or II AIF or FVCI, as the case may.

**APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

**APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "IRDAI Investment Regulations") 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 belong to not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2.5 lakh crore or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of Rs. 50 thousand crore or more but less than Rs. 2.5 lakh crore.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

### **APPLICATIONS BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of Applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of Rs. 25 crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies Systemically Important Non-Banking Financial 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 Rs. 25 crores and pension funds with a minimum corpus of Rs. 25 crores (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor.

### **APPLICATIONS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Application by Systemically Important Non-Banking Financial Companies, certified copy of a) the certificate of registration issued by RBI, b) certified copy of its latest audited financial statement on a standalone basis and a net worth certificate from its statutory auditor and c) such other approval as may be required by Systemically Important Non-Banking Financial Companies are required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor. Systemically Important Non-Banking Financial Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

*The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.*

### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **METHOD AND PROCESS OF APPLICATIONS**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the

Designated Intermediaries at the time of receipt.

6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

**ISSUE OF SECURITIES IN DEMATERIALIZED FORM:**

1. Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialised form. Investors will not have the option of being Allotted Equity Shares in physical form.
2. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including DP ID, Client ID, UPI ID (in case of Retail Individual Investors using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected.
3. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.
4. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

**INFORMATION FOR THE APPLICANTS:**

1. The Prospectus containing the details w.r.t. Issue Opening Date and Issue Closing Date shall be filed with the RoC at least three working days before the Issue Opening Date.
2. The Issue Opening and Closing date shall also be notified by way of Pre-Issue Advertisement in the form prescribed by the SEBI ICDR Regulations, in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus would be available with the Lead Managers, the Registrar to the Issue and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the BSE SME.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office of our Company.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.



8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

### **TERMS OF PAYMENT**

The entire Issue price of Rs. 25 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

### **PAYMENT MECHANISM FOR APPLICANTS**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank.

The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 read with SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022 Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries may register the Applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 11:00 a.m. of next working day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to:

- a) the applications accepted by them;
  - b) the applications uploaded by them;
  - c) the applications accepted but not uploaded by them; or
  - d) with respect to applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
- i. The applications accepted by any Designated Intermediaries
  - ii. The applications uploaded by any Designated Intermediaries or
  - iii. The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the offline data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
- Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the abovementioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
8. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.



12. The Designated Intermediaries will be given time till 11:00 a.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The SCSBs shall send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue, not later than 6:00 p.m. on the next working day after the Issue Closing Date.
14. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **WITHDRAWAL OR REVISION OF APPLICATION**

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

#### **ALLOCATION AND ALLOTMENT UNDER THE ISSUE**

Allocation and allotment of Equity Shares through this offer document will be done in multiples of 6,000 Equity Share subject to a minimum allotment of 6,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations through the Fixed Price method and hence, as per of Regulation 253(2), of SEBI ICDR Regulations, the allocation of Net Issue to the public category shall be made as follows:

- (a) minimum fifty per cent to retail individual investors; and
- (b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

If the retail individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH THE ROC**

Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on August 18, 2022. For terms of the Underwriting Agreement please see Section titled "**General Information**" beginning on page 35 of this Draft Prospectus.

We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company will, after filing the Prospectus with the RoC, publish a Pre-Issue Advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Business Standard (a widely circulated English national daily newspaper) and all editions of Business Standard (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in New Delhi where our Registered Office is located). Our Company shall, in the Pre-Issue Advertisement state the Issue Opening Date, and the Issue Closing Date. The Pre-Issue Advertisement shall, subject to the provisions of Section 30 of the Companies Act 2013, be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **ISSUANCE OF ALLOTMENT ADVICE**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **DESIGNATED DATE**

On the Designated Date, the Registrar to the Offer shall instruct the SCSBs or Sponsor Bank to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

### **GENERAL INSTRUCTIONS**

#### **Do's:**

1. Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
5. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
6. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
7. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
8. Ensure that you request for and receive a stamped acknowledgement of your Application;
9. Retail Applicants using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Application Form;
10. Retail Applicants shall ensure that the bank, with which such Retail Applicants has a bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by the NPCI;
11. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
13. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting



in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

The Application Form are liable to be rejected if the above instructions, as applicable, are not complied with.

Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 are liable to be rejected.

15. 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;
16. Ensure that the category and the investor status is indicated;
17. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
18. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
19. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
20. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
21. For Retail Applicants using the UPI mechanism, ensure that you approve the request generated by the Sponsor Bank to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;
22. Retail Applicants shall ensure that details of the Applications are reviewed and verified by opening the attachment in the UPI mandate request and then proceed to authorize the UPI request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Applicant may be deemed to have verified the attachment containing the application details of the Retail Applicant in the UPI mandate request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount mentioned in the Application Form;
23. Retail Applicants using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Application Form;
24. Retail Applicants using the UPI mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of allotment in a timely manner;
25. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
26. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
27. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and



28. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary;
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. For Applications by Retail Individual Applicants, do not apply for an Application Amount exceeding Rs. 2,00,000;
10. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
13. Do not submit more than 1 Application Form for each UPI ID in case of Retail Applicants Applying through the Designated Intermediary using the UPI Mechanism;
14. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
15. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not apply 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);
17. Do not make applications using third party bank accounts or using third party linked bank account UPI IDs;
18. 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 Applications submitted by Retail Applicants using the UPI mechanism
19. Do not submit incorrect UPI ID details, if you are a Retail Applicants applying through UPI Mechanism;
20. Do not submit more than One Application Form per ASBA Account;
21. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
22. Do not submit your Application after 3.00 p.m. on the Issue Closing Date;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **SUBMISSION OF APPLICATION FORM**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:



- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUND FOR TECHNICAL REJECTIONS**

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, among other things, on the following grounds, which have been detailed at various places in the General Information Document:

- a. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b. Applications of Investors (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account;
- c. Applications by OCBs;
- d. In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- e. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Application Form;
- f. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- g. Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h. DP ID and Client ID not mentioned in the Application Form;
- i. ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- j. In case of applications by RIIs (applying through the UPI mechanism) through a UPI handle not covered

in the prescribed list of SEBI.

- k. In case of applications by RIIs (applying through the UPI mechanism) using a bank account of an SCSB or bank which is not covered in the prescribed list of SEBI.
- l. PAN not mentioned in the Application Form except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- m. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- n. Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- o. Applications at a price less than the Floor Price/Applications at a price more than the Cap Price;
- p. Applications at Cut-off Price by NIIs and QIBs;
- q. The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares applied for;
- r. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- s. Submission of Application Form using third party UPI ID or ASBA Bank Account;
- t. Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries other than SCSBs (except for RIIs applying as Retail Individual Shareholders also);
- u. Submission of more than one Application Form per ASBA Account by Applicants applying through Designated Intermediaries (except in case of joint account holders);
- v. In case of joint applications, submission of Application Form using second or third party's UPI ID or ASBA Bank Account;
- w. Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the Prospectus;
- x. Multiple Applications as defined in this GID and the Prospectus;
- y. Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Offer Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- z. Bank account mentioned in the Application Form (for Applicants applying through the non-UPI mechanism) may not be an account maintained by SCSB. Inadequate funds in the ASBA Account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account;
- aa. In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
- bb. In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID is not mentioned in the Application Form;
- cc. In case of Anchor Investors, Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;
- dd. Where no confirmation is received from SCSB or the Sponsor Bank, as applicable, for blocking of funds;
- ee. Applications by QIB and NII Applicants (other than Anchor Investors) not submitted through ASBA process;
- ff. Application Form submitted to Designated Intermediaries at locations other than the Collection Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

- gg. Application Form submitted physically by RIIs applying through the non-UPI mechanism to Designated Intermediaries other than SCSBs;
- hh. Applications not uploaded on the terminals of the Stock Exchanges;
- ii. Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- jj. The UPI Mandate is not approved by Retail Individual Investor; and
- kk. The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and vice versa.
- ll. Applicants are required to enter either the ASBA Bank account details or the UPI ID in the Application Form. In case the Applicant doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicant providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- mm. RIIs shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount is available for blocking, has been notified as Issuer Banks for UPI. A list of such banks is available on SEBI website – [www.sebi.gov.in](http://www.sebi.gov.in): Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI
- nn. In case of revision of Applications by RII Bidders, if UPI Mandate Request for the revised Application is not approved, the Application is liable to be rejected.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company have signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated August 25, 2020 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated September 04, 2020 between CDSL, the Company and the Registrar to the Issue;

The Company's Equity Shares bear an ISIN INE0DX301011.

#### **COMMUNICATIONS**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar to the Issue. For details of the Company Secretary and Compliance Officer and the Registrar to the Issue, see “**General Information**” on page 35.

#### **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of Companies Act, 2013 and shall be treated as Fraud."

## **DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI ICDR Regulations, the Company further undertakes that:

1. Allotment shall be made within 4 working days of the Issue Closing Date;
2. The Listing of Equity Shares shall be made within 6 working days of the Issue Closing Date;
3. Giving of Instructions for refund by unblocking of amount via ASBA not later than 3 working days of the Issue Closing Date, would be ensured; and
4. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI ICDR Regulations, the Companies Act, 2013 and applicable law.

Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

## **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Stock Exchange, along with the Lead Managers 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.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with BSE Limited (Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 6,000 Equity Shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 6,000 Equity Shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category

comprising of applicants applying for the minimum number of Shares.

6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI ICDR Regulations shall be made as follows:

- a) The 50% net Issue of shares to the Public (i.e. 8,55,000 Equity Shares) shall be made available for allotment to retail individual investors; and
- b) The balance net Issue of shares to the public (i.e. 8,55,000 Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “**Basis of Allotment**” on page 113 of this Draft Prospectus.

“Retail Individual Investor” means an investor who applies for shares of value of not more than Rs. 2,00,000.

Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the BSE Limited.

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified on page 188 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Designated Official BSE Limited in addition to Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

For more information, please read the General Information Document.

## **COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING**

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

## **INTEREST AND REFUNDS**

### **GROUND FOR REFUND**

#### **Non Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in the Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of four days, be liable to repay the money, with interest at such rate as disclosed in the Prospectus.

**Minimum Number of Allottees**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

**MODE OF REFUNDS**

a) In case of ASBA Applicants: Within 6 (six) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer

b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

c) In case of Other Investors: Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

**INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI. However, applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

**UNDERTAKINGS BY OUR COMPANY**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board;
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- 6) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 7) That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 8) If our Company withdraws the Issue at any stage, including after the Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, as may be applicable;

**WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time



before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the Board meeting for Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to BSE SME (Stock Exchange on which Equity Shares are proposed to be listed) and the Lead Manager. Thereafter, the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Account within one Working Day from the date of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall be required to file a fresh Prospectus.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment and the final RoC approval of the Prospectus.

#### **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

- (i) all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in referred to in sub section (3) of Section 40 the Companies Act, 2013;
- (ii) 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 separate head in the balance sheet of the issuer indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Issuer 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 of 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 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 24<sup>th</sup> January, 2022*

Article No.	Particulars	Headings
(12)	“The Company” or “This Company” – means <b>STITCHED TEXTILES LIMITED.</b>	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 subsection (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

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| (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**

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| 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 |
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- (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:
- Issue of Employees Stock Options and Shares
- 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 other shares 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.
- 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 *pari passu* with the said Preference Shares, PROVIDED in the event of its creating and/or issuing Preference Shares in future, ranking *pari passu* 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 be 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	<p>(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 –</p> <p>(i) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or</p> <p>(ii) either with or without extinguishing or reducing the liability on any of its shares, -</p> <p>(iii) cancel any paid up share capital which is lost or is unrepresented by available assets;</p> <p>(iv) pay off any paid up share capital which is in excess of the wants of the Company.</p>	Reduction of Capital	of
10	<p>(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.</p>	Buy Back of Shares	of
11	<p>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.</p>	Increase of Share Capital	
11	<p>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:</p> <p>(i) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares;</p> <p>(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;</p> <p>(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.</p>	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.
- Dematerialisation
- (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.
- Options for Investors
- (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.
- Securities with Depositories to be in fungible form

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| (4) | <p>(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.</p> <p>(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.</p> <p>(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.</p> | Rights of Depositories and Beneficial Owners             |
| (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;
- Further Issue  
of capital
- (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
- (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.

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| 17 | <p>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.</p> | Share under control of Directors          |
| 18 | <p>(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.</p>  | 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.
- 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.
- 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.
- 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.
- 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.
- Power also to Company in General Meeting to issue shares
- Shares at a discount
- Installments on shares to be duly paid
- The Board may issue shares as fully paid up
- 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. Share Certificates
- 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.
- 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. Restriction on issue of share certificate.
- 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.

- 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. Sub-division of shares
- 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.
- 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 expressly 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 | <p>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 percent 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.</p> | Commission may be Paid                         |
| 35 | <p>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.</p>   | Commission to be included in the Annual Return |
| 36 | <p>The Company may pay a reasonable sum for brokerage.</p>  | Brokerage                                      |

### INTEREST OUT OF CAPITAL

- |    |  |                         |
|----|--|-------------------------|
| 37 | <p>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.</p> | Interest out of Capital |
|----|--|-------------------------|

### CALLS

- |    |  |                              |
|----|--|------------------------------|
| 38 | <p>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.</p> | Directors may make Calls     |
| 39 | <p>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.</p>   | Notice of Calls              |
| 40 | <p>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.</p>   | 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 in 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.

Transfer of shares sold under lien

              (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.

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	<p>(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;</p> <p>(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;</p> <p>(3) The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of the shares;</p> <p>(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;</p> <p>(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, reallocation or other disposal of the share.</p>	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
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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	<p>(1) An application for the registration and transfer of the shares in the Company may be made either by the transferor or the transferee.</p> <p>(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.</p> <p>(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.</p>	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 of 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	<p>(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.</p> <p>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.</p> <p>(2) No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, unless represented by a guardian.</p>	Directors may refuse to register transfers



72	<p>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.</p>	<p>Notice of refusal to be given to transferor and transferee</p>
73	<p>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.</p>	<p>Death of one or more joint-holders of shares</p>
74	<p>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.</p>	<p>Titles to shares of deceased member</p>
75	<p>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".</p>	<p>Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)</p>
76	<p>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.</p>	<p>Refusal to register Nominee</p>
77	<p>The Company shall be entitled to decline to register more than four persons as the holders of any share.</p>	<p>Directors entitled to refuse to register more than four joint holders</p>

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 of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the 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
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**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	<p>(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.</p> <p>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.</p>	Annual General Meeting
	<p>(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.</p> <p>(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.</p>	
90	<p>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.</p>	Report, Statement and Registers to be laid before the Annual General Meeting
91	<p>All general meetings other than annual general meeting shall be called Extra Ordinary General Meeting.</p>	Extra-Ordinary General Meeting
92	<p>(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.</p> <p>(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.</p> <p>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.</p>	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. Inspection
- (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.
- (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,;- Circulation of Members' Resolution
- (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.

- (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 : Contents of requisition and number of requisitionists required and the conduct of meeting
- (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.
- 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. Contents and manner of service of notice
- (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.

- (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:
- Special and ordinary business and explanatory statement
- (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.
- 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	<p>(1) If within half an hour from the time appointed for holding a meeting of the Company the quorum is not present,</p> <p style="margin-left: 40px;">(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</p> <p style="margin-left: 40px;">(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.</p> <p>(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.</p>	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	<p>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.</p> <p>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.</p>	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	<p>(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.</p> <p>(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.</p>	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	<p>(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.</p> <p>(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>	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:
- Registration of documents with the Registrar
- (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.

#### 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	<p>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.</p>	<p>Number of votes to which member entitled</p>
119	<p>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.</p>	<p>Vote of member of unsound mind and Minor.</p>
120	<p>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.</p>	<p>Votes of joint members</p>
121	<p>(1) A body corporate (whether a Company within the meaning of the Act or not) may,</p> <p>(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;</p> <p>(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.</p>	<p>Representation of body Corporate</p>

- 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.	Proxies
	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.	
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
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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 time after such removal and also in the case of death or resignation of the person so appointed, 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 make the 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 Independent Director shall be as provided under Section 149 of 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 his absence 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 giving to 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 –
- Disqualification  
for appointment of  
Directors
- (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.
- (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 : Vacation of office by Directors
- (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.
- 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. Removal of Directors
- 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.

- (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 therepresentations is not sent as aforesaid because they were received too late orbecause 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 hasbeen 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 Directoras 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 ofthe 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	<p>(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,</p> <p>(ii) sale, purchase or supply of any goods or materials;</p> <p>(iii) selling or otherwise disposing of, or buying, property of any kind;</p> <p>(iv) leasing of property of any kind;</p> <p>(v) availing or rendering of any services;</p> <p>(vi) appointment of any agent for purchase or sale of goods, materials, services or property;</p> <p>(vii) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and</p> <p>(viii) underwriting the subscription of any securities or derivatives thereof, of the Company:</p> <p>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:</p> <p>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.</p>	<p>Board resolution necessary for certain contracts</p>
155	<p>If the Company –</p> <p>(ii) 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</p> <p>(iii) 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.</p>	<p>Disclosure to the members of Director's interest in contract in appointing manager</p>
156	<p>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.</p>	<p>Loans to Directors etc.</p>
157	<p>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.</p>	<p>Loans etc. to Companies</p>

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.
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**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 maybe Directors of Companies promoted by the Company
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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
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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
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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
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163	A retiring Director shall be eligible for the re-appointment.	Eligibility for reelection
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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
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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
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(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 –

ii) at the meeting or the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

iii) 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;

iv) he is not qualified or is disqualified for appointment; or

v) 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	<p>(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.</p> <p>(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.</p> <p>(3) For the purpose of this Article, a motion for approving a person's appointment for nominating a person for appointment shall be treated as a motion for his appointment.</p>	Appointment of Directors to be voted Individually
168	<p>(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.</p> <p>(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.</p>	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 :

(v) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or

(vi) 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
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**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
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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
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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)
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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:

Key Managerial Personnel

ii) 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.

iii) A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

Any provision of the Act or these 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.

**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.

Notice of meetings

(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 an 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.

When meeting to be Convened

177	<p>(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.</p> <p>(2) For the purpose of clause (1) :</p> <p>(ii) "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</p> <p>(iii) "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.</p>	<p>Quorum for a meeting of the Board of Directors</p>
178	<p>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.</p>	<p>Procedure when meeting adjourned for want of quorum</p>
179	<p>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.</p>	<p>Chairman</p>
180	<p>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.</p>	<p>Questions at Board meeting how decided</p>
181	<p>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.</p>	<p>Powers of Board Meetings</p>
182	<p>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.</p>	<p>Directors may appoint Committees</p>

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	<p>(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.</p> <p>(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.</p>	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

186

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

- (vii) 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;
- (viii) remit, or give time for the payment of any debt due by a Director;
- (ix) invest otherwise than in trust securities the amount of compensation received by the Company as a result of a merger or amalgamation;
- (x) 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,
- (xi) 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);
- (xii) 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.

187	<p>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 :</p> <ul style="list-style-type: none"> <li>(vii) to make calls on shareholders in respect of money unpaid on their shares;</li> <li>(viii) to authorise buy-back of securities under Section 68 of the Companies Act, 2013;</li> <li>(ix) to borrow monies;</li> <li>(x) to invest the funds of the Company;</li> <li>(xi) to grant loans or give guarantee or provide security in respect of loans;</li> <li>(xii) to approve financial statement and the Board's report;</li> <li>(xiii) to diversify the business of the Company;</li> <li>(xiv) to approve amalgamation, merger or reconstruction;</li> <li>(xv) to take over a Company or acquire a controlling or substantial stake in another Company;</li> <li>(xvi) any other matter which may be prescribed under the Act and the rules made thereunder.</li> </ul> <p>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.</p>	<p>Certain powers to be exercised by the Board only at meetings</p>
188	<p>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:</p> <ul style="list-style-type: none"> <li>(1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;</li> <li>(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;</li> <li>(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;</li> </ul>	<p>Certain powers of the Board</p>

- (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 ballot or 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. Minutes to be considered evidence

(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:

(vi) is or could reasonably be regarded as defamatory of any person;

(vii) is irrelevant or immaterial to the proceedings; or

(viii) is detrimental to the interest of the Company.

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	<p>(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.</p> <p>(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.</p>	Inspection of Minutes Books of General Meetings
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	<p>Subject to the provisions of the Act –</p> <p>(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;</p> <p>(ii) a Director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</p>	
197	<p>(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.</p> <p>(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</p>	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**

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| 198 | <p>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.</p> <p>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 be signed by two directors or one director as may be provided by the Board/Committee resolution authorizing such affixation and shall be countersigned by the Secretary or some other person appointed by the Board for the purpose.</p> <p>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.</p> | <p>The Seal, its custody and use.</p> |
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**DIVIDENDS/DIVIDEND WARRANTS**

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| 199 | <p>(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.</p> <p>(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.</p> <p>(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.</p> | <p>Division of profits</p>                                 |
| 200 | <p>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.</p>  | <p>The Company in general meeting may declare dividend</p> |
| 201 | <p>(1) No dividend shall be declared or paid by the Company for any financial year except</p> <p style="padding-left: 20px;">(v) 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</p> <p style="padding-left: 20px;">(vi) 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.</p>  | <p>Dividend out of profits Only</p>                        |

- (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



(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

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| 213 | <p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve :</p> <p>(xi) 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</p> <p>(xii) 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.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision of act or towards:</p> <p>(iv) paying up any amount for the time being unpaid on any shares held by such members respectively;</p> <p>(v) 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</p> <p>(vi) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);</p> <p>(vii) 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;</p> <p>(viii) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p> | Capitalisation          |
| 214 | <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:</p> <p>(vi) 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</p> <p>(vii) generally do all acts and things required to give effect thereto.</p>   | Fractional Certificates |

- (2) The Board shall have full power :
- (iii) 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 fractions and also
  - (iv) 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 thereof 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.

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- (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.

Financial  
Statements

- (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.

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.

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| (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 |
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**AUDIT**

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| 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 |
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| 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. | Appointment of Auditors |
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| (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; |  |
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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.

**DOCUMENTS AND NOTICES**

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| 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. | Service of documents or notices on members by the Company |
| (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.   |   |

- (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

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| 226 | <p>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.</p>  | Distribution of assets         |
| 227 | <ol style="list-style-type: none"> <li>(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.</li> <li>(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.</li> <li>(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.</li> </ol> | 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 tortious 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 Prospectus) which are or may be deemed material will be attached to the copy of this Draft 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 Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at anytime 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 September 27, 2022 entered into between our Company and the Lead Manager.
- Registrar Agreement dated September 23, 2022 entered into amongst our Company and the Registrar to the Issue.
- Underwriting Agreement dated [●] amongst our Company, Lead Manager and the Underwriters.
- Tripartite Agreement dated March 04, 2022 between our Company, NSDL and the Registrar.
- Tripartite Agreement dated March 09, 2022 between our Company, CDSL and the Registrar.
- Bankers to the Issue Agreement dated [●] between Company, Lead Manager, Banker to the Issue/Sponsor Bank and the Registrar to the Issue.
- Market Making agreement dated [●] amongst our Company, Lead Manager and the Market Maker.

#### 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 August 26, 2022, in relation to the Issue.
- Shareholders' resolution dated September 19, 2022, in relation to the Issue.
- Resolution of the Board of Directors dated September 30, 2022 approving this Draft Prospectus.
- The examination reports dated September 05, 2022 of the Statutory Auditor, on our Company's Restated Consolidated Financial Statements, included in this Draft Prospectus.
- Copies of the annual reports of our Company for the Fiscals 2020 and 2021 and 2022.
- Statement of Tax Benefits dated September 05, 2022 from the Statutory Auditor included in this Draft Prospectus.
- Consent of the Promoter, Chairman & Directors, Lead Manager, Legal Advisor, 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 August 27, 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 September 5, 2022 on the Restated Financial Statements; and
  - (ii) the statement of tax benefits dated May 17, 2022 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft 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, 2022 in the Draft Prospectus.
- Due Diligence Certificate dated [●] addressed to SEBI from the Lead Manager.
- In principle listing approvals dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at anytime, 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
<b>Jaimin Kailash Gupta</b> <i>Managing Director</i>	
<b>Chetan Ojha</b> <i>Non-Executive Director</i>	
<b>Yesha Aagam Shah</b> <i>Independent Director</i>	
<b>Rushabh Anilkumar Shah</b> <i>Independent Director</i>	
<b>Premaram Jaitaram Patel</b> <i>Independent Director</i>	

**SIGNED BY THE KEY MANAGERIAL PERSONNEL OF THE COMPANY**

Name and Designation	Signature
<b>Dharmesh Tripathi</b> <i>Chief Financial Officer</i>	
<b>Shivani Pathak</b> <i>Company Secretary and Compliance Officer</i>	

**Date:** September 30, 2022

**Place:** Ahmedabad