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**PROSPECTUS**

**Dated:** August 31, 2023

Please read Section 26 and 32 of the

Companies Act, 2013

Fixed Price Issue



**KAHAN PACKAGING LIMITED**

**CIN:** U36100MH2013PLC240584

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.	Mithun Patel, Company Secretary & Compliance Officer	<b>E-mail:</b> <a href="mailto:info@kahanpackaging.com">info@kahanpackaging.com</a> <b>Tel No:</b> +91 22-25004605	<a href="http://www.kpackltd.com">www.kpackltd.com</a>

<b>PROMOTERS OF THE COMPANY</b>	<b>PRASHANT JITENDRA DHOLAKIA AND ROHIT JITENDRA DHOLAKIA</b>
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DETAILS OF THE ISSUE				
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE (IN ₹ LAKHS)	ELIGIBILITY
Fresh Issue	7,20,000 Equity Shares aggregating to ₹576.00 Lakhs	Nil	₹576.00 Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229(1) AND 253(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.

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

**RISK IN RELATION TO THE FIRST ISSUE**

The face value of the Equity Shares is ₹10/- each. The Issue Price of ₹80/- per equity share (determined and justified by our Company in consultation with the Lead Manager as stated in “*Basis for Issue Price*” on page 66 of this Prospectus) should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 22 of this Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares Issued through this Prospectus are proposed to be listed on the SME Platform of BSE Limited (“**BSE SME**”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “**in-principle**” approval letter dated August 22, 2023 from BSE Limited (“**BSE**”) for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“**BSE**”).

**LEAD MANAGER TO THE ISSUE**

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE NO.
 <b>Hem Securities Limited</b>	Ajay Jain	<b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Tel. No.:</b> +91- 022- 49060000

**REGISTRAR TO THE ISSUE**

NAME	CONTACT PERSON	EMAIL & TELEPHONE
 <b>Purva Shareregistry (India) Private Limited</b>	Deepali Dhuri	<b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> <b>Tel. No.:</b> +91 022 49614132

**ISSUE PROGRAMME**

**ISSUE OPENS ON: WEDNESDAY, SEPTEMBER 06, 2023**

**ISSUE CLOSSES ON: FRIDAY, SEPTEMBER 08, 2023**



**KAHAN PACKAGING LIMITED**  
CIN: U36100MH2013PLC240584

Our Company was originally incorporated as a public limited company under the name and style of “Kahan Packaging Limited” at Maharashtra, Mumbai, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 19, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. We commenced commercial operations pursuant to a Certificate of Commencement of Business dated March 14, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U36100MH2013PLC240584. For further details, please refer to chapter titled “*History and Corporate Structure*” beginning on page 108 of this Prospectus.

**Registered Office:** 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.

**Tel No:** +91-22-25004605; **E-mail:** [info@kahanpackaging.com](mailto:info@kahanpackaging.com); **Website:** [www.kpackltd.com](http://www.kpackltd.com);

**Contact Person:** Mithun Patel, Company Secretary & Compliance Officer

**Promoters of our Company:** Prashant Jitendra Dholakia and Rohit Jitendra Dholakia

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC OFFER OF 7,20,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF KAHAN PACKAGING LIMITED (“OUR COMPANY” OR “KPL” OR “ISSUER”) AT AN ISSUE PRICE OF ₹ 80 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 70 PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ 576.00 LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ 80 PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 32.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 6,80,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 80 PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ 544.00 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.47% AND 25.00% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO 191 OF THIS PROSPECTUS.**

This issue is being made through fixed price process in terms of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI (ICDR) Regulations**”) as amended and Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “**SCRR**”), This issue has been made for at least 25.00% of the post-issue paid-up equity share capital of our company and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended. For further details, please refer to section titled “*Issue Procedure*” beginning on page 197 of this Prospectus. A copy of Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“**ASBA**”) process including through UPI mode (as applicable) by providing details of their respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“**SCSBs**”) or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to “*Issue Procedure*” on page no. 197 of this Prospectus.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled “*Issue Procedure*” beginning on page 197 of this Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- per Equity Share and the Issue Price is 8 times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “*Basis for Issue Price*” beginning on page no. 66 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing

**GENERAL RISKS**

Investment 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 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 Prospectus. Specific attention of the investors is invited to “*Risk Factors*” beginning on page no. 22 of this Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares Issued through this Prospectus are proposed to be listed on the SME Platform of BSE Limited (“**BSE SME**”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “**in-principle**” approval letter dated August 22, 2023 from BSE Limited (“**BSE**”) for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“**BSE**”).

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**HEM SECURITIES LIMITED**

904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India

**Tel. No.:** +91- 022- 49060000;

**Fax No.:** +91- 022- 22625991

**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)

**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)

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

**Contact Person:** Ajay Jain

**SEBI Regn. No.** INM000010981

**Purva Share Registry (India) Private Limited**

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai 400011, Maharashtra, India.

**Tel. No.:** +91 022 49614132

**Email:** [support@purvashare.com](mailto:support@purvashare.com)

**Investor grievance e-mail:** [support@purvashare.com](mailto:support@purvashare.com)

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

**Contact Person:** Deepali Dhuri

**Validity Period:** Permanent

**SEBI Regn. No.** INR000001112

**CIN:** U67120MH1993PTC074079

**ISSUE PROGRAMME**

**ISSUE OPENS ON: WEDNESDAY, SEPTEMBER 06, 2023**

**ISSUE CLOSES ON: FRIDAY, SEPTEMBER 08, 2023**

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**SECTION I – GENERAL****DEFINITIONS AND ABBREVIATIONS**

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

The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections “*Statement of Tax Benefits*”, “*Financial Information of the Company*” and “*Main Provisions of the Articles of Association*” on page 71, 129 and 87 respectively, shall have the meaning ascribed to such terms in such sections.

**General Terms**

<b>Terms</b>	<b>Description</b>
“Issuer”, “KPL”, “the Company”, “our Company”, and “Kahan Packaging Limited”	Kahan Packaging Limited, a Company incorporated in India under the provisions of Companies Act, 1956, having its Registered office at 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

**Company related and Conventional terms**

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as described in the chapter titled “ <i>Our Management</i> ” beginning on page 111 of this Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. Dhanesh Amritlal & Associates (F.R.N: 142800W).
Bankers to our Company	Bank of India
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 111 of this Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Purvi Prashant Dholakia.
CIN	Corporate Identification Number being U36100MH2013PLC240584.
Companies Act / Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mithun Patel (M. No.: A43753).
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our Directors, see “ <i>Our Management</i> ” on page 111 of this Prospectus
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.
DP ID	Depository’s Participant’s Identity Number

<b>Term</b>	<b>Description</b>
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
GIR Number	General Index Registry Number.
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the SEBI (LODR) Regulations. For details of our Independent Directors, see <b>“Our Management”</b> on page 111 of this Prospectus.
Ind AS or Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
ISIN	International Securities Identification Number. In this case being INE04T901017.
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 111 of this Prospectus.
LLP	Limited Liability Partnership
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Prashant Jitendra Dholakia
Materiality Policy	The policy adopted by our Board on June 20, 2023 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 111 of this Prospectus.
Non-Executive Director	A Director not being an Executive Director. For details of our Independent Directors, see <b>“Our Management”</b> on page 111 of this Prospectus
NRIs / Non-Resident Indians	Person of Indian origin as defined under Consolidated Foreign Direct Investment Policy 2017
Peer Review Auditor	The Independent Peer Reviewed Auditor of our Company M/s. R K Jagetiya & Co., Chartered Accountant (FRN: 146264W)
Promoter(s)	Shall mean Promoters of our Company i.e. Prashant Jitendra Dholakia and Rohit Jitendra Dholakia. For further details, please refer to section titled <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 124 of this Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoters and Promoter Group”</b> beginning on page 124 of this Prospectus.
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership, Limited Liability Company, Joint Venture, or Trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office	The Registered Office of our Company situated at 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The Restated Financial statements of our Company, comprising of the Restated Statement of Assets and Liabilities as at March 31 2023, 2022 and 2021 and the Restated Statements of Profit and Loss and Cash Flows for the fiscals ended March 31 2023, 2022 and 2021 of our

Term	Description
	Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of Companies, Mumbai, 100, Everest, Marine Drive Mumbai- 400002 Maharashtra, India.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 2000 as amended from time to time.
SEBI Act/ SEBI	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled " <i>Our Management</i> " beginning on page 111 of this Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA being Prashant Jitendra Dholakia, Rohit Jitendra Dholakia, Purvi Prashant Dholakia, Jagruti Rohit Dholakia, Anvi Rohit Dholakia, Mehul Ravilal Dedhia and Neela Hemant Mehta.

### Issue Related Terms

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only.

Terms	Description
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited.
Banker to the Issue Agreement	Agreement dated July 15, 2023 entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank/Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 200 of this Prospectus.
Broker Centers	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client ID	Client identification number of the Applicant’s beneficiary account.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details.
Designated Date	The date on which the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account in terms of the Prospectus and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Intermediaries/Collecting Agent	An SCSB’s with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Hem Finlease Private Limited
Designated Stock Exchange	BSE Limited (SME Exchange) (“BSE SME”)
DP ID	Depository Participant’s Identity Number
Draft Prospectus	Draft Prospectus dated June 30, 2023 issued in accordance with Section 26 of the Companies Act, 2013
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or

Terms	Description
	invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Factory-I	Plot No 23, Survey No. 166-A, Hissa No. 1, Amalgamated Industrial Complex, Bombay Nasik Road, Nr. Diamond Retreat Hotel, Asangaon, Shahpur, Thane 421601, Maharashtra, India.
Factory-II	Plot No 22, Survey No. 166-A, Hissa No. 1, Amalgamated Industrial Complex, Bombay Nasik Road, Nr. Diamond Retreat Hotel, Asangaon, Shahpur, Thane 421601, Maharashtra, India.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by the SEBI.
Issue Agreement	The Issue Agreement dated June 19, 2023 between our Company and Lead Manager.
Issue/Public Issue/Issue size/Initial Public Issue/Initial Public Offering/ IPO	The Initial Public Issue of 7,20,000 Equity shares of Rs. 10/- each at issue price of Rs. 80/- per Equity share, including a premium of Rs. 70/- per equity share aggregating to Rs. 576.00 lakhs
Issue Closing Date	The date after which the Lead Manager, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations, 2018. In this case being September 08, 2023.
Issue Opening Date	The date on which the Lead Manager, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations, 2018. In this case being September 06, 2023.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their applications.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 80 per Equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 60 of this Prospectus.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Lot Size	1600 Equity shares
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE (SME platform). In our case, Hem Finlease Private Limited is the sole Market Maker
Market Making Agreement	The Market Making Agreement dated July 15, 2023 between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of 40,000 Equity Shares of Rs.10 each at an Issue price of Rs. 80 each is



Terms	Description
	aggregating to Rs. 32.00 Lakhs to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 6,80,000 equity Shares of Rs. 10/- each at a price of Rs. 80 per Equity Share (the “ <b>Issue Price</b> ”), including a share premium of Rs. 70 per equity share aggregating to Rs. 544.00 Lacs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <b>Objects of the Issue</b> ” beginning on page 60 of this Prospectus.
Non-Institutional Investors / NIIs	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than Rs. 2,00,000/-
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 of the Companies Act, 2013, containing, inter alia, the Issue Price will be determined before filing the Prospectus with Registrar of Companies.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Purva Sharegistry (India) Private Limited.
Registrar Agreement	The Registrar agreement dated June 08, 2023 entered into 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.
Registered Broker	Individuals or companies registered with SEBI as “ <b>Trading Members</b> ” (except Syndicate/Sub-Syndicate Members) who hold valid membership either BSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange.
Refund Account(s)	Accounts to which the monies to be refunded to the Applicants is transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulation S	Regulation S under the Securities Act
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Retail Individual Investors / RIIs	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their applications or any previous Revision Form(s).
Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at

<b>Terms</b>	<b>Description</b>
or RTAs	the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SME Exchange	SME Platform of the BSE Limited i.e. BSE SME.
SEBI(PFUTP)Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Specified Securities	Equity shares offered through this Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter	Underwriter in this case being Hem Securities Limited.
Underwriting Agreement	The Agreement dated July 15, 2023 entered between the Underwriter, LM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
"UPI Circulars"	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard from time to time
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI ID Linked Bank Account	Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
"UPI Mechanism"	The mechanism that was used by an RIB to make a Bid in the issue in accordance with the UPI Circulars on Streamlining of Public Issues
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

<b>Terms</b>	<b>Description</b>
Wilful Defaulter(s) or a fraudulent borrower	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations.
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days' means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

**Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
B2B	Business to Business
B2C	Business to Consumer
BOPP	Biaxially oriented polypropylene
DIPP	Department of Industrial Policy and Promotion
EBM	Extrusion Blow Molding
FRP	Fiber Reinforced Plastic
FM	Facility Management
FDI	Foreign Direct Investment
FY	Financial Year
FMCG	Fast-moving consumer goods
GAV	Gross Value Added
HTC	Handling and Transport Contractor
HVAC	Heating, Ventilation, and Air Conditioning
HDPE	High Density Polyethylene
HIPS	High Impact Polystyrene
HIPS	High Impact Polystyrene
IT	Information Technology
IBEF	India Brand Equity Foundation
IPP	Index of Industrial Production
IPO	Initial Public Offering
ISO	International Organization for Standardization
LDPE	Low Density Polyethylene
LLDPE	Linear Low Density Polyethylene
MCC	Multi City Consolidation
MRP	Maximum Retail Price
M&A	Mergers and Acquisitions
MOU	Memorandum of Understanding
MTPA	Metric Tonnes Per Annum
PPP	Purchasing Power Parity
PC	Polycarbonate
PET	Polyethylene Terephthalate
PBT	Polybutylene terephthalate
PLI Scheme	Production Linked Incentives Scheme
POM	Polyoxymethylene
PVC	Polyvinyl Chloride
PP	Polypropylene

<b>Term</b>	<b>Description</b>
SBR	Styrene-Butadiene Rubber
SKU	Stock Keeping Unit
SMC	Sheet Molding Compound
Sq. ft.	Square feet
SCM	Supply Chain Management
TPU	Thermoplastic Polyurethane
TMS	Transportation management system
W&DCM	Warehousing and Distribution Center Management
VAT	Value Added Tax
UCP	Unified customer portal
UPI	Unified Payments Interface
Unique End Consumer	A person identified by a unique phone number for whom at least one shipment was picked up during the given period
WMS	Warehouse management system
YOY	Year over Year

**Conventional terms and Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
Rs. / Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
BSE	BSE Limited
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number

<b>Abbreviation</b>	<b>Full Form</b>
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI (ICDR) Regulations.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India

<b>Abbreviation</b>	<b>Full Form</b>
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT Act	Information Technology Act, 2000
IFRS	International Financial Reporting Standards
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
LLB	Bachelor of Law
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	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 the

<b>Abbreviation</b>	<b>Full Form</b>
	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 the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
RaD Report	Reports and Data Report
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI (PFUTP) Regulations / PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI	Securities and Exchange Board of India

<b>Abbreviation</b>	<b>Full Form</b>
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SSI	Small Scale Industry
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
U.S. Securities Act	The United States Securities Act, 1933
USD/ US\$/ \$/ US Dollar	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VCF	Venture Capital Funds
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.
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.



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

**Certain Conventions**

In this Prospectus, the terms “we”, “us”, “our”, “the Company”, “our Company”, unless the context otherwise indicates or implies, refers to Kahan Packaging Limited. All references in the Prospectus to “India” are to the Republic of India. All references in the Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

**Use of Financial Data**

Unless stated otherwise, throughout this Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Prospectus is derived from our restated financial Statements prepared for the year ended March 31 2023, 2022 and 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 129 of this Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 129 of this Prospectus. There is no subsidiary of our Company as on date of the Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31 of every next year.

For additional definitions used in this Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 224 of the Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

**Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Issue Price*” on page 66 of the Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

**Currency of Financial Presentation**

All references to “Rupees” or “INR” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “*Industry Overview*” throughout the Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management's Discussion and Analysis of Financial Conditions and Results of Operations**” on page 22, 87 and 166 respectively of this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **FORWARD LOOKING STATEMENTS**

This Prospectus includes certain “forward-looking statements”. We have included statements in the Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

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

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Our reliance on third parties such as clearing and forwarding agents, transporters etc. for the storage, movement and delivery of our products;
3. Our ability to successfully implement our strategy, our growth and expansion, technological changes;
4. Increased competition in the sectors/areas in which we operate;
5. Factors affecting the industry in which we operate;
6. Fluctuations in operating costs;
7. The occurrence of natural disasters or calamities;
8. Our ability to attract, retain and manage qualified personnel;
9. Our failure to keep pace with rapid changes in technology;
10. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
11. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
13. Occurrence of Environmental Problems & Uninsured Losses;
14. Conflicts of interest with affiliated companies, the promoter group and other related parties;
15. Any adverse outcome in the legal proceedings in which we are involved;
16. Concentration of ownership among our Promoters; and
17. Changes in government policies and regulatory actions that apply to or affect our business.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 22, 87 and 166 respectively of the 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 future gains or losses could materially differ from those that have been estimated.

There can be no assurance to 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 to be a guarantee of our future performance.

Neither our Company or our Directors or our Officers or Lead Manager or Underwriter 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 SEBI requirements, our Company and the LM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

**SECTION II – SUMMARY OF PROSPECTUS****A. OVERVIEW OF BUSINESS**

Our Company started its operations in the year 2016, since then has been in the business of manufacturing and supply of Polypropylene (PP)/ High Density Polyethylene (HDPE) Woven Fabric- Laminated, HDPE/PP woven sacks, Woven Fabric- Un-Laminated, PP Woven Bag, PP Woven Bag with Liner, Printed Laminates for Flexible Packaging, woven polymer based products of different weight, sizes and colors as per customer’s specifications. We offer customized bulk packaging solutions to business-to-business (“B2B”) manufacturers catering to different industries such as Agro Pesticides Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry.

For further details, please refer to the chapter titled “**Our Business**” beginning on page 87 of this Prospectus.

**B. OVERVIEW OF THE INDUSTRY**

Globally, the packaging industry sector has positioned itself as one of the fastest growing industry across all countries. The industry is worth over \$ 917 billion (in 2019), growing at CAGR 2.8% to reach to \$ 1.05 trillion by 2024. In India’s case, packaging is the fifth largest sector in its economy and is one of the highest growth sectors in the country. According to the Packaging Industry Association of India (PIAI), the sector is growing at CAGR 22% to 25%.

For further details, please refer to the chapter titled “**Industry Overview**” beginning on page 74 of this Prospectus.

**C. PROMOTERS**

Prashant Jitendra Dholakia and Rohit Jitendra Dholakia are the Promoters of our Company.

**D. DETAILS OF THE ISSUE**

This is an Initial Public Fresh Issue of 7,20,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. 80 per Equity Share (including a share premium of Rs. 70 per Equity Share) aggregating to Rs. 576.00 lakhs (“**The Issue**”), out of which 40,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 80 per Equity Share aggregating up to Rs. 32.00 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 6,80,000 Equity Shares of face value of Rs. 10 each, at an issue price of Rs. 80 per Equity Share for cash, aggregating to Rs. 544.00 lakhs are hereinafter referred to as the “**Net Issue**”. The Public Issue and Net Issue will constitute 26.47% and 25.00% respectively of the post- issue paid-up Equity Share capital of our Company.

**E. OBJECTS OF THE ISSUE**

Our Company intends to utilize the Proceeds of the Issue to meet the following objects: -

Sr. No	Particulars	Amt (Rs. in lakhs)
1.	To meet working capital requirements	400.00
2.	General Corporate Purposes	94.07
	<b>Total</b>	<b>494.07</b>

**F. PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP**

Our Promoters and Promoter Group collectively holds 19,99,000 Equity shares of our Company aggregating to 99.95% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Prospectus: -

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Prashant Jitendra Dholakia	6,60,000	33.00	6,60,000	24.26
2.	Rohit Jitendra Dholakia	6,60,000	33.00	6,60,000	24.26
	<b>Sub Total (A)</b>	<b>13,20,000</b>	<b>66.00</b>	<b>13,20,000</b>	<b>48.53</b>
	<b>Promoters Group</b>				

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
3.	Jagruti Rohit Dholakia	3,31,000	16.55	3,31,000	12.17
4.	Purvi Prashant Dholakia	3,39,000	16.95	3,39,000	12.46
5.	Anvi Rohit Dholakia	8,000	0.40	8,000	0.29
6.	Jainam Prashant Dholakia	1,000	0.05	1,000	0.04
	<b>Sub Total (B)</b>	<b>6,79,000</b>	<b>33.95</b>	<b>6,79,000</b>	<b>24.96</b>
	<b>Grand Total (A+B)</b>	<b>19,99,000</b>	<b>99.95</b>	<b>19,99,000</b>	<b>73.49</b>

## G. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the financial years ended on March 31, 2023, 2022 and 2021: -

*Amt. (Rs. in lakhs)*

Sr. No	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	100.00	50.00	50.00
2.	Net Worth	172.91	69.53	49.75
3.	Total Income (Revenue from operation)	1,751.79	1,587.95	1,211.78
4.	Profit/(loss) after tax	103.38	19.77	1.57
5.	Basis/diluted Earnings per Share	10.34	1.98	0.16
6.	Net asset value per share based on actual number of shares	17.29	13.91	9.95
7.	Net asset value per share based on Weighted average number of shares	17.29	6.95	4.98
8.	Total Borrowings (including current maturities of long term borrowings)	773.90	616.58	442.29

## H. AUDITOR QUALIFICATIONS

There are no audit qualifications which have not been given effect in the restated financial statements.

## I. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters and Directors are parties to certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

### Litigations involving our Company: -

*Amt. (Rs. in lakhs)*

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities - (TDS Outstanding Demand)	1	0.22

### Litigations involving our Promoter & Directors: -

*Amt. (Rs. in lakhs)*

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation Involving Criminal Law (filed u/s 138 of Negotiable Instruments Act, 1881)	1	10.29
Other Pending Litigation	1	41.48

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 173 of this Prospectus.

## J. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “*Risk Factors*” beginning on page 22 of this Prospectus.

**K. SUMMARY OF CONTINGENT LIABILITIES**

Our Company have contingent liabilities for the financial years ended on March 31 2023, 2022 and 2021.

*Amt. (Rs. in lakhs)*

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Contingent liabilities in respect of:</b>	-	-	-
Claims against the company not acknowledged as debts	-	-	-
Guarantees given on Behalf of the Company	-	-	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-
TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon	0.22	0.15	0.08
Estimated amount of contracts remaining to be executed on capital account and not provided for	98.71	-	-
Uncalled liability on shares and other investments partly paid	-	-	-
<b>Total</b>	<b>98.93</b>	<b>0.15</b>	<b>0.08</b>

For further details, please refer to Annexure-AB – Contingent Liabilities of the chapter titled “*Financial Information of the Company*” on page 129 of this Prospectus.

**L. SUMMARY OF RELATED PARTY TRANSACTIONS**

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the financial years ended on March 31, 2023, 2022 and 2021: -

**List of Related Parties as per AS – 18**

Particulars	Names of Related Parties	Nature of Relationship
<b>Directors and Key Management Personnel (KMP)</b>	Prashant Jitendra Dholakia	Chairman & Managing Director
	Rohit Jitendra Dholakia	Whole Time Director
	Purvi Prashant Dholakia	Whole Time Director & CFO
	Jagruti Rohit Dholakia	Non -Executive Director
	Naman Haresh Patel	Independent Director (W.e.f. June, 17, 2023)
	Tushar R Shah	Independent Director (W.e.f. June, 17, 2023)
	Mithun Patel	Company Secretary (W.e.f. June, 17, 2023)
<b>Enterprises in which KMP/Relatives of KMP can exercise significant influence</b>	M/s Kahan Packaging	Proprietorship firm of Prashant Dholakia

*Amt. (Rs. in lakhs)*

<b>(i) Transactions with Director and KMP</b>	3/31/2023	3/31/2022	3/31/2021
<b>A) Remuneration/Professional fee Paid</b>			
Jagruti Rohit Dholakia	2.40	2.90	1.20
Prashant Jitendra Dholakia	0.40	1.20	1.20
Rohit Jitendra Dholakia	2.40	1.20	2.40
Purvi Prashant Dholakia	2.80	4.90	2.70
<b>B) Rent for leased Premises</b>			
Purvi Prashant Dholakia	2.40	2.40	2.40
<b>C) Jagruti Rohit Dholakia</b>			
Unsecured Loan -Opening Bal.Cr/(Dr)	42.00	28.50	29.60
Loan taken this year Cr/(Dr)	89.00	19.00	
Loan repaid this year Cr/(Dr)	(108.59)	(5.50)	(1.10)
Outstanding Balance Cr/(Dr)	22.41	42.00	28.50
<b>D) Purvi Prashant Dholakia</b>			
Unsecured Loan -Opening Bal.Cr/(Dr)	35.50	23.25	24.25
Loan taken this year Cr/(Dr)	78.00	19.35	

Loan repaid this year Cr/(Dr)	(49.86)	(7.10)	(1.00)
Outstanding Balance Cr/(Dr)	63.64	35.50	23.25
E) Rohit Jitendra Dholakia			
Unsecured Loan -Opening Bal.Cr/(Dr)	52.72	19.72	20.21
Loan taken this year Cr/(Dr)	-	42.00	
Loan repaid this year Cr/(Dr)	-	(9.00)	(0.49)
Outstanding Balance Cr/(Dr)	52.72	52.72	19.72
F) Security Deposit Given for leasehold Premises			
Purvi Prashant Dholakia	6.00	6.00	6.00
(ii) Transactions with Entities where Director/ KMP or their Relatives hold substantial Interest			
Kahan Packaging			
Purchases of Goods by the Company	294.28	114.94	338.28
Outstanding Balance Cr/(Dr)	0.00	-	-
Sale of Goods by the Company	152.94	68.07	352.77
Outstanding Balance Dr/(Cr)	22.72	-	-

**Note:**

1. list of Related parties has been identified by the management and relied upon by the Auditor.
2. In case there is no transaction with any of the above related parties, only name of such related parties has been disclosed as required by AS- 18

For further details, please refer to the Annexure - Y – Related Party Disclosures of chapter titled “*Financial Information of the Company*” on page 129 of this Prospectus.

**M. DETAILS OF FINANCING ARRANGEMENTS**

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Prospectus.

**N. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR**

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Prashant Jitendra Dholakia	4,95,000	6.67
2.	Rohit Jitendra Dholakia	4,95,000	6.67

**AVERAGE COST OF ACQUISITION OF SHARES**

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Prashant Jitendra Dholakia	6,60,000	7.50
2.	Rohit Jitendra Dholakia	6,60,000	7.50

**O. PRE IPO PLACEMENT**

Our Company is not considering any pre-IPO placement of equity shares of the Company.

**P. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH**

Except as set out below, we have not issued Equity Shares for consideration other than cash in the last one year.

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
March 22, 2023	5,00,000	10	-	Bonus Issue in the ratio of 1:1	Capitalization of Reserves & Surplus	Prashant Jitendra Dholakia	1,65,000
						Rohit Jitendra Dholakia	1,65,000
						Jagruti Rohit Dholakia	80,500
						Purvi Prashant Dholakia	84,500
						Anvi Rohit Dholakia	4,000
						Mehul Ravilal Dedhia	500
						Jainam Prashant Dholakia	500
						<b>Total</b>	<b>5,00,000</b>

**Q. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Prospectus.

**R. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Not Applicable



### **SECTION III: RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 129, 87 and 166 respectively of this Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

#### **Materiality**

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

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

#### **Note:**

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

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 22 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 166 of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Restated Financial Statements**”.

#### **INTERNAL RISK FACTORS**

1. **We derive significant portion of our revenue from limited number of customers, the loss of one or more such customers, the deterioration of their financial position or prospects, or a reduction in their demand for our products could adversely affect our business, financial position and future prospects of our Company.**

The substantial portion of our revenues has been dependent upon few customers. For instance, our top five customers for F.Y. ended March 31, 2023, March 31, 2022 & March 31, 2021 accounted for 97.00%, 93.02% and 91.36% of our revenue from operations for the respective year. Our reliance on a selected group of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our significant customers, failure to negotiate favorable terms or the loss of these customers, all of which would have a material and adverse effect on the business, financial position and future prospects of our Company.

Further, we have not entered into any definitive agreements with our customers and the success of our business is significantly dependent on maintaining good relationship with them. There is no guarantee that we will retain the business of our existing key

customers or maintain the current level of business with each of these customers. The deterioration of the financial position or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial position and cash flows.

As a result, our clients can terminate their relationship with us due to circumstances beyond our control, such as more competitive option offered by our competitors which could materially and adversely impact our business. We believe that we have satisfactory business relations with our clients and have received continued business from them in the past but there is no certainty that the same will continue in the future, which could materially affect our business, results of operations and financial position.

In addition, we are exposed to payment delays and/or defaults by our major customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honour their outstanding amounts in time and whether they will be able to fulfil their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected

***2. We generate our major portion of sales from our operations in certain geographical regions and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

We generate major domestic sales from the State of Maharashtra. For financial year ended March 31, 2023, March 31, 2022 & March 31, 2021 we derived major portion of our revenue from the state of Maharashtra i.e. 98.82%, 98.33% and 93.00% respectively.

We carry our entire manufacturing operations from our factories located at Asangaon, thane district- Mumbai, Maharashtra. Due to the geographical concentration of our manufacturing operations at Maharashtra, our operations are prone to local, regional and environmental factors, such any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or state or local governments and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

***3. Majority of our revenue is dependent on single business segment i.e. woven fabrics. An inability to anticipate or adapt to evolving upgradation of products or inability to ensure product quality or reduction in the demand of such products may adversely impact our revenue from operations and growth prospects***

Majority of our revenue is dependent on single business segment i.e. Woven fabric. Our continued reliance on single business segment for substantial portion of our revenue exposes us to risks, including but not limited to, reduction in the demand of the products in the particular segment in the future; increased competition from regional and national players; the invention of superior and cost- effective technology; fluctuations in the price and availability of the raw materials; changes in regulations and import duties and the general economic conditions. Any occurrences of such event could significantly reduce our revenues, thereby materially adversely affecting our results of operations and financial condition.

***4. We are primarily dependent upon few key suppliers for procurement of raw materials. Any disruption in the supply of the raw materials or fluctuations in their prices could have a material adverse effect on our business operations and financial conditions.***

Manufacturing quantity and cost of our products are dependent on our ability to source raw materials at acceptable prices and maintain a stable and sufficient supply of our raw materials. The principal raw materials used in our manufacturing process are PP Granules, Master Batch, BOPP Film, Ink, Master Batch Color, Polythene Bags and Reducer. The costs of raw materials purchased for the

Fiscals 2023, 2022 and 2021 was Rs. 1570.34 lakhs, Rs. 1292.16 lakhs and Rs. 1000.82 lakhs respectively, representing 89.64%, 81.37% and 82.59% respectively of our revenue from operations.

The raw materials we use are subject to price volatility and unavailability caused by external conditions, such as commodity price fluctuations within India and globally, weather conditions, supply and demand dynamics, logistics and processing costs, our bargaining power with the suppliers, inflation and governmental regulations and policies.

We source our raw materials requirement indigenously. We do not have long term agreements with any of our suppliers and we acquire raw materials pursuant to our purchase orders from suppliers. Purchases of raw material made from our top 10 suppliers for the Fiscals 2023, 2022 and 2021 were Rs. 1132.56 lakhs, Rs. 957.68 lakhs and Rs. 843.02 lakhs representing 72.12, 74.11% and 84.23% of our total raw material purchases for the Fiscals 2023, 2022 and 2021 respectively.

There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. While we may find additional suppliers to supply these raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules, credit terms or specified quality standards and technical specifications may adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers which could have a material adverse effect on our business, financial condition and results of operations.

Further our raw material supply and pricing may become volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, tariffs, the outbreak of infectious diseases such as COVID-19, and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Therefore, we cannot assure that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms. Further, there can be no assurance that we will be able to effectively manage relationships with our existing or new suppliers or that we will be able to enter into arrangements with new suppliers at attractive terms. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

***5. We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.***

We require certain statutory and regulatory licenses, registrations and approvals to operate our business some of which our Company has either received, applied for or is in the process of application, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial conditions. There can be no assurance on the renewal or there might be delay in renewal of licenses, registrations and approvals from relevant authorities.

Upon cognizance being taken by the appropriate authority, the Company and its officers in default may face penalties and/or prosecution under the extant provisions, which could have an adverse impact on our business, results of operations and cash flows. Further, these licenses, registrations and approvals are subject to several conditions, and we cannot assure that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by us to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our operations and may have a material adverse effect on our business, results of operations and financial condition. For details regarding pending approvals, please refer to section titled “***Government and Other Approvals***” beginning on page 176 of the Prospectus.

***6. We have had certain inaccuracy in relation to regulatory filings to be made with the RoC and our company has made non-compliances of certain provision under applicable laws.***

Our company has not complied with certain statutory provisions in the past including but not limited to the details as mentioned herein. Further, there are few discrepancies noticed in some of our corporate records related to e-forms filed with the Registrar of Companies, for instance , the company has not filed board resolution for the approval of financial statements and board’s report for the financial year 2014-15 which is in non-compliance of section 179(3)(g) of the Companies Act, 2013 read with rules made thereunder.

Further, our Company has not complied with certain Accounting Standards such as AS -15 (Employee Benefits), however the same have been duly complied by the company in the restated financial statements. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business and reputation. Although, no show cause notice in respect of the non-compliance has been received by the Company till date, any penalty imposed for such non-compliance in future by the any regulatory authority shall be promptly addressed by the company and could affect our financial conditions to that extent.

***7. The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.***

The restated financial statements of our Company for the financial years ended March 31 2023, 2022 and 2021 has been provided by a peer reviewed chartered accountant who is not the statutory auditor of our Company. However, our statutory auditor holds a valid peer reviewed certificate but due to his preoccupation the restated financial statements has been provided by the said peer reviewed chartered accountant.

***8. We do not own the registered office and factory-II from which we carry out our business activities. In case of nonrenewal of rent agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.***


Our registered office and Factory-II, from which we carry out our business activities, are being taken by us on rent. In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could temporarily impact on our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled “***Our Business***” beginning on page 87 of this Prospectus.

In addition, agreements pertaining to the lease/rent have irregularities of enforceability, such as non-registration of agreement and inadequate payment of stamp duty, which may affect the value of the relevant agreements in specific performance or other injunctive procedures in a court of law, and could impair our operations. Further, it may result in levy of penal charges, in case cognizance being taken by concerned authorities.

There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the offices on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our manufacturing operations which could materially and adversely affect our business, financial condition and results of operations.

***9. We have not registered the trademarks which we are using for our business. We may be unable to protect our intellectual property or knowhow from third party infringement which could harm our brand and services.***



We have not registered the trademarks , which we are using for our business. Even though we have filed the application for registration of wordmark vide application no 5986982 dated June 20, 2023 before the Registrar of Trademarks, we do not have any control over the registration of a trademark and a trademark may also be opposed by third parties that claim to have prior or superior rights. Such actions are not within our control and can severely impact business and may result in requirement to undertake rebranding exercises, all of which result in additional costs for us and could also impact our reputation. We routinely monitor third party trademarks, including domain names, by keeping a check on the use of our trademarks. However, it is possible that we are not aware of misuse of our trademarks and this could potentially cause loss of our reputation, which could impact our business and may even affect our goodwill. The use of a deceptively similar or identical third-party mark may result in a loss/injury to us. Such an action may also become a lengthy and costly exercise for us and may not always be in our favor. For further details on above and other trademarks, please refer to chapter titled “***Our Business***” beginning on page 87 of this Prospectus.

***10. We operate in a price sensitive industry wherein the purchasing decisions of consumers are highly influenced by the product price. Our inability to continue to offer our products at competitive prices may adversely affect our business, results of operations and financial condition.***

We operate in packaging industry wherein the purchasing decisions of consumers are highly influenced by the product price. We may not always be able to offer our products at price points which represent value for money and is competitive in the market. Accordingly, packaging companies like us need to be able to reduce their operating costs in order to maintain profitability while

maintaining rigorous quality standards. Our ability to maintain and enhance our competitiveness through our competitive pricing strategy will have a direct effect on our business, financial condition and results of operations. There can be no assurance that price hikes will not take place in the future. If we are unable to maintain our pricing competitiveness and are not able to effectively respond to competition from existing manufacturers and prospective entrants and consequent pricing pressures our business, financial condition and results of operations can be adversely affected.

**11. Introduction of alternative packaging materials caused by change in technology or consumer preferences may affect demand for our existing products which may adversely affect our financial results and business prospects.**

Our products are used mainly by companies who require packaging materials for construction, agriculture, chemical, infrastructure industry etc. Our business is affected by change in technology, consumer preferences, convenience, safety and environmental norms. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers' businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of packaging businesses and consumer preferences may have an adverse effect on our business, profitability and growth prospects.

**12. Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.**

We are a manufacturing company, and, at all points of time, a certain portion of our assets comprises of an inventory of raw materials, work in progress products and finished products. Maintaining sufficient inventory of raw materials is critical for our operations including as a buffer against any supply disruptions. Any failure on our part to effectively manage our inventory of raw materials and finished products in response to changing market scenario may have an adverse effect on our financial condition and may even lead to loss of business and increase the costs of our operations.

In the event we overestimate our requirements for raw materials as compared to the demand for our products, it may lead to situations that require us to block more capital and increase our operating costs in connection with inventories and further expose us to variations in raw materials risk. Equally, if we underestimate our requirements for raw materials, it may adversely affect our ability to manufacture the required quantity of products for our customers' requirements in a timely and cost-efficient manner which may lead to loss of business and / or the opportunity to service customers which could adversely affect our business, results of operations and financial condition. Further, we may also lose opportunities to acquire raw materials in a cost-effective manner, thereby increasing costs of operations and adversely affecting our working capital requirements.

Additionally, if our inventory of finished products is not dispatched on time or if there is any unanticipated delay in the delivery of our finished products or if the finished products are not properly maintained or are damaged or destroyed, we could lose such inventory which could have an adverse impact on our production cycle, results of operation and financial condition.

**13. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.**

As on the date of this Prospectus, we have two Factories at village Asangaon, Tal. Shahpur, Dist. Thane, Maharashtra, which has a cumulative production capacity of 2600 metric ton p.a. for manufacturing PP Woven Fabrics. In Fiscals 2023, 2022 and 2021. Our overall capacity utilization is detailed below:

Product Name	Particulars	Units	FY 2020-21	FY 2021-22	FY 2022-23	Existing Installed Capacity (p.a.)
PP Woven Fabrics	Installed Capacity	KG	26,00,000	26,00,000	26,00,000	26,00,000
	Actual Production	KG	12,98,650	11,44,909	12,95,017	
	Capacity Utilization (in %)		49.95%	44.03%	49.81%	

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. In the event we are unable to achieve considerable capacity utilization of our current manufacturing facility, it would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects. Under-utilization of our

manufacturing capabilities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

**14. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.**

We have obtained insurance coverage in respect of certain risks. Our business is subject to loss due to theft or occurrence of any unforeseen event such as fire, earthquake, other natural calamities, terrorism and force majeure events. We have taken New India Bharat Sookshma Udyam Suraksha Policy which cover insurance of factory building, Stock & Plant & Machinery from such unexpected events. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as cash in transit, key man insurance, group personal accident or mediclaim policy. Further, we have not taken insurance in respect of certain premises that includes (i) Factory -II, where we have recently started our operations from January 2023 (ii) registered office i.e. 212, Jhalawar Service Premises, E.S. Patanwala Compound, L.B. S Marg, Opp. Shreyas Talkies, Ghatkopar (W), Mumbai-400086. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

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

Our Company, Promoters and Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company, Promoter and Directors as on the date of this Prospectus along with the amount involved, to the extent quantifiable.

**Litigations involving our Company: -**

Nature of Cases	No. of Outstanding Cases	<i>Amt. (Rs. in lakhs)</i>
		Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities	1	0.22

**Litigations involving our Promoter & Directors: -**

Nature of Cases	No. of Outstanding Cases	<i>Amt. (Rs. in lakhs)</i>
		Amount in dispute/demanded to the extent ascertainable
Litigation Involving Criminal Law (filed u/s 138 of Negotiable Instruments Act, 1881)	1	10.29
Other Pending Litigation	1	41.48

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Prospectus. For further details, please refer to the chapter titled "Outstanding Litigations and Material Developments" on page 173 of this Prospectus.*

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

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of our certain operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition and we may also be subject to legal proceedings in this regard. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

Further, non-availability of labourers at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Though we have not faced any labour problem in the past we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

**17. Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.**

Our contingent liabilities as of March 31, 2023 were as follows:

Particulars	<i>Amt. (Rs. in lakhs)</i>
	As at 31/03/2023
<b>Contingent liabilities in respect of:</b>	-
TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon	0.22
Estimated amount of contracts remaining to be executed on capital account and not provided for	98.71
<b>Total</b>	<b>98.93</b>

For further details of the contingent liabilities and commitments of our Company as on March 31, 2023, see “**Restated Financial Information**” on page 129 of this Prospectus. If a significant portion of these liabilities materialize, fully or partly, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**18. We face competition from other large and established competitors, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our products which may lead to reduced prices, operating margins, profits and further result in decline in revenue.**

We face increasing competition in packaging industry from our existing and potential competitors in India that may have substantially greater brand recognition, longer operating histories, greater financial, product development, sales, marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Our competitors may have lower costs, or be able to offer lower prices and a larger variety of products in order to gain market share. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, thereby increasing their ability to address the needs of our targeted customers and offering lower cost products than we do which may have a negative effect on our sales. Further, new competitors may emerge at any time. Our competitors may be able to respond more quickly to new or emerging technologies or customer requirements, and may bring with them customer loyalties that may limit our ability to compete, which could decline our sales. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete. The success of our products as well as our ability to maintain or increase our sales may also depend upon the effectiveness of our marketing initiatives which may adversely affect our ability to compete effectively.

Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian packaging industry as compared with us. Competitive conditions in some of our segments have caused us to realise lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. Our failure to compete effectively, including any delay in responding to changes in the industry and market, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. Also, see “**Business - Competition**” on page 87 of this Prospectus.

**19. Adverse publicity regarding our products could negatively impact us.**

Adverse publicity regarding any of our products or similar products marketed or sold by others could negatively affect us. If any studies raise or substantiate concerns regarding the efficacy or safety of our products or other concerns, our reputation could be harmed and demand for our products could diminish, which could have a material adverse effect on growth in new customers and sales of our product, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements.

**20. As we continue to grow, we may not be able to effectively manage our growth and the increased complexity of our business, which could negatively impact our brand and financial performance.**

Continued growth of our business and user base requires us to expand our product portfolio, strengthen our brand recognition, expand and enhance our sales channels, better manage our supply chain, upgrade our information systems and technologies, secure more space for our expanding workforce, and devote other resources to our business expansions, among others. As we continue to grow, managing our business will become more complicated as we develop a wider product mix, some of which we may have less experience in. In addition, as we increase our product offerings, we will need to work with a larger number of business partners and maintain and expand mutually beneficial relationships with our existing and new business partners. Our inability to manage the expansion of our products range, customer base and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected. As we continue to expand, we may experience similar difficulties if we are unable to manage our growth, which may adversely affect our reputation and results of operations.

**21. There is an increased awareness towards controlling pollution and many economies including India have joined in the efforts to ban plastic product. In case any plastic packaging products manufactured by us are banned in India or in any of the markets where we export our products, it could have a material and adverse effect on our business and results of operations.**

Plastic takes many years to decompose and is very dangerous for other living beings. Many countries around the world are finding alternatives to the use of plastic products. While none of the measures taken so far have directly impacted our business, our Company cannot assure that future measures will not have a negative impact on our business. If the Government of India legislates against the use of plastic products or if regulations for the manufacture and use of our packaging products are made more stringent, it could have a material and adverse effect on our business and results of operations.

**22. We have incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations**

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31 2023, our total outstanding indebtedness was Rs. 773.90 Lakhs.

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a shorter notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 162 of this Prospectus.

**23. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.**

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. 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 out 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, may affect our business operations and financials. For further details regarding working capital requirement, please refer to the section “*Objects of the Issue*” on page 60 of this Prospectus.



**24. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.**

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, sales, purchase, remuneration, loans and advances, etc. For details, please refer to **Note 24- Related Party Transactions**” under Section titled **“Financial Information of the Company”** and Chapter titled **“Capital Structure”** beginning on page 129 and 50 respectively of this Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**25. Our continued operations at our manufacturing facilities are critical to our business and any disruption, breakdown or failure of machinery, disruption to power sources or any temporary shutdown of our manufacturing facility, may have a material adverse effect on our business, results of operations, financial condition and cash flows.**

Our manufacturing facilities are subject to operating risks, such as breakdown or failure of machinery, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. We also require substantial electricity for our manufacturing facilities which is sourced from state electricity boards. In case, the supply is not available for any reason, our production schedule may be hampered. Further, our customer relationship, business and financial results may be materially adversely affected by any disruption of manufacturing operations of our products, including as a result of any of the factors mentioned above.

**26. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.**

Our performance depends upon the continued services efforts and abilities of our Promoters and Key managerial personnel, particularly Prashant Jitendra Dholakia and Rohit Jitendra Dholakia. They have gained experience in this line of business and have over the years built relations with our suppliers, third party suppliers, customers and other persons who are connected with us and have been actively involved in the day to day operations and management, further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for successful delivery of products, our overall business operations and the strategic directions taken by our Company. For details in relation to the experience of our key management personnel, please refer to Section **“Our Management”** on page 111 of this Prospectus

We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find an adequate replacement in a timely manner, or at all. The loss of any of our promoters, senior management and other key personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the promoters, senior management and other key personnel could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy.

**27. Compliance with, and changes in, safety, health and environmental laws and labour regulations may adversely affect our business, prospects, financial condition and results of operations.**

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, related laws and regulations. We are subject to environmental laws and regulations, including but not limited to, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

**28. Dependence upon third party transportation services for supply and transportation of our products are subject to various uncertainties and risks, and delays in delivery may result in rejection of products by customer.**

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of raw materials from our suppliers and for transportation of products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third-party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. Further, movement of goods encounters additional risks such as accidents, pilferage, spoilage, shrinkage and our inability to claim insurance may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

**29. The average cost of acquisition of Equity Shares by our Promoters, is lower than the face value of Equity Share.**

The average cost of acquisition of Equity Shares of our Promoters are lower than the face value of Equity Shares i.e. ₹ 10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, please see Chapter titled “*Capital Structure*” beginning on page 50 of this Prospectus.

**30. Our Company has during the preceding one year from the date of the Prospectus allotted Equity Shares at a price which may be lower than the Issue Price.**

In the last 12 months, we have made allotments of Equity Shares (other than bonus issue of shares) through right issue of shares to our promoters and promoter group, which may be lower than the Issue Price. For details relating to number of shares issued, date of allotment etc. please refer to section titled “*Capital Structure*” on page 50 of this Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

**31. We have experienced negative operating cash flows in the past. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions**

As per our Restated Financial Statements, our cash flows are as set out below: -

Particulars	For The Year Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Net cash from operating activities	54.42	(124.86)	93.70
Net cash flow from investing activities	(155.61)	(1.77)	(12.83)
Net cash flow from financing activities	100.78	125.47	(98.56)

*Amt. (Rs. in lakhs)*

Cash flow of a company is a key indicator to show the extent of cash generated to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**32. Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders**

Our Promoters and Directors 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 or their relatives, dividend entitlement, properties given by them on lease/rental basis or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance 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. For further information, please refer to the chapters/section titled “*Our Business*”, “*Our Promoters and Promoter Group*” and “*Note 24 - Related Party Transactions*”, beginning on pages 87, 124 and 129 respectively of this Prospectus.

**33. *Our Promoters, Directors and Promoter Group members/entities have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters/ Directors and thereby, impact our business and operations.***

Our Promoters and Directors namely Prashant Jitendra Dholakia, Rohit Jitendra Dholakia, Purvi Prashant Dholakia and Jagruti Rohit Dholakia have extended personally guarantee towards loan facilities taken by our Company. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters/Directors of our Company, thereby having an effect on our business, results of operation and financial conditions. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page 162 of this Prospectus.

**34. *Excessive dependence on Bank of India in respect of loan facilities obtained by our Company.***

Our company has been sanctioned credit facilities by Bank of India. The Company is dependent on such facility for its Term loans, working capital facility and other funding requirement and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also adversely affect the financial position of the Company.

**35. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

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

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company’s Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company’s Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company’s major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**36. *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement for our Working Capital requirements, as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 60 of this Prospectus.

**37. The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any variation between the estimation and actual expenditure as estimated by the management could result in execution delays or influence our profitability adversely.**

The deployment of funds as stated in the “*Objects of the Issue*” beginning on page 60 of this Prospectus is entirely at the discretion of our management and has not been appraised by any independent agency. Further, the purposes for which the Net Proceeds are to be utilized have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In the event, for whatsoever reason, we are unable to execute our plans, we could have a significant amount of unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Issue without any action or approval of our shareholders. In case the assumptions on which these estimates have been made are not correct or they become un-realistic then there will be a variation in the estimates and the actual expenditure incurred which could result in execution delays and have an adverse effect on our operations and profitability.

**38. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.**

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Prospectus. For further information, see the section titled “*Our Business*” on page 87 of this Prospectus.

**39. The activities carried out at our manufacturing facilities can cause injury to people or property in certain circumstances.**

The activities carried out at our manufacturing facilities may be potentially dangerous to our employees. While we employ safety procedures in the operation of our manufacturing facilities and maintain what we believe to be adequate insurance, there is a risk that an accident may occur at any of our manufacturing facilities. An accident may result in personal injury to our employees, or the labour deployed at our facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

**40. Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans may adversely affect our cash flows.**

Our Company has availed unsecured loans which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of March 31 2023, such loans amounted to Rs. 141.01 lakhs.

In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “*Statement of Financial Indebtedness*” on page 162 of this Prospectus

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

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

**42. Relevant copy of educational qualification of one of our directors is not traceable.**

Relevant copy of the educational qualification of Jagruti Rohit Dholakia, Director is not traceable. In accordance with the disclosure requirements in respect of brief biographies of the Director, we have relied on affidavit provided by Director for the purpose of disclosure in the section entitled “*Our Management*” on page 111 of this Prospectus.

**43. We are subject to restrictive covenants under our credit facilities that limit our operational flexibility.**

The loan agreements entered into by us with banks contain specific covenants which require us to obtain the prior approval/permission from the banks on the occurrence of certain events such as formulation of any scheme of amalgamation or reconstruction, undertaking of any new project or expansion, making any substantial change in our management set up, any change in our capital structure resulting in reduction of capital, etc. Further, there can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 162 of this Prospectus.

**44. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since the Issue is for an amount not exceeding ₹10,000 lakhs, in terms of SEBI ICDR Regulations, our Company is not required to appoint an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our finances.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, working capital requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder’s 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 128 of this Prospectus.

**46. Certain key performance indicators for certain listed industry peers included in this Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete**

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “*Basis for Issue Price*” beginning on page 66 of the Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

**47. Certain data mentioned in this Prospectus has not been independently verified.**

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**48. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.**

We are currently engaged in the manufacture and supply of woven fabrics which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. Any demand or penalty raised by the concerned authority in future for any previous years or current year will affect the financial position of the Company.

**49. Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.**

Any future equity issuance by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

**EXTERNAL RISK FACTORS**

**50. The continuing effect of the COVID-19 pandemic on our business, results of operations and financial condition is highly uncertain and cannot be predicted.**

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our consumers. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession.

**51. A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.**

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by Centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. Further, there have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

**52. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.**

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details, please refer to the chapter "**Government and Other Approvals**" on page 176 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of

information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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

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

***54. Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant 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. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

***55. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***56. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, man-made disasters, including acts of war, terrorist attacks, environmental issues and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

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

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

The issue price of the equity shares has been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information, please refer the section titled “**Basis for Issue Price**” beginning on page 66 of the Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**58. Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.**

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant’s ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.



**SECTION--IV – INTRODUCTION****THE ISSUE**

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue</b> <sup>(1)(2)</sup>	Issue of 7,20,000 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ 80 (including a Share premium of ₹70 per Equity Share) per share aggregating to ₹ 576.00 Lakhs
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	40,000 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ 80 (including a Share premium of ₹70 per Equity Share) per share aggregating to ₹ 32.00 Lakhs
<b>Net Issue to the Public</b>	6,80,000 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ 80 (including a Share premium of ₹70 per Equity Share) per share aggregating to ₹ 544.00 Lakhs
<b>Out of which</b> <sup>(3)</sup>	
A. Retail Individual Investors	At least 3,40,800 Equity Shares having face value of ₹10 each for cash at a price of ₹ 80 (including a Share premium of ₹70 per Equity Share) per share aggregating to ₹ 272.64 Lakhs will be available for allocation to Retail Individual Investors <sup>(a)</sup> .
B. Other than Retail Individual Investors (including Non- Institutional Investors and Qualified Institutional Buyers)	Not more than 3,39,200 Equity Shares having face value of ₹10 each for cash at a price of ₹80 (including a Share premium of ₹70 per Equity Share) per share aggregating to ₹ 271.36 Lakhs will be available for allocation to investor other than Retail Individual Investors <sup>(b)</sup> .
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	20,00,000 Equity Shares having face value of Rs.10 each
<b>Equity Shares outstanding after the Issue</b>	27,20,000 Equity Shares having face value Rs.10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 60 of this Prospectus.

<sup>(1)</sup> This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “*Terms of the Issue*” beginning on page 191 of this Prospectus. Public issue of 7,20,000 Equity Shares face value of Rs.10.00 each for cash at a price of Rs. 80 per Equity Share of our Company aggregating to Rs. 576.00 Lakhs.

<sup>(2)</sup>The Present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on June 17, 2023 and by our Equity Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on June 19, 2023.

<sup>(3)</sup>As per Regulation 253 of the SEBI (ICDR) Regulations 2018, as amended, as present issue is a fixed price issue “the Allocation is the net issue to the public category shall be made as follows:

(a) Minimum fifty percent to retail individual investors; and

(b) Remaining to

(i) Individual applicants other than retail individual investors; and

(ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

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

**Explanation:** If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage. For further details please refer to section “*Issue Structure*” beginning on page 197 of this Prospectus.

**SUMMARY OF OUR FINANCIAL STATEMENTS****ANNEXURE I****RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES***(Amount in Rs. Lakhs)*

Sr. No.	Particulars	As at		
		3/31/2023	3/31/2022	3/31/2021
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	<b>Shareholders' Funds</b>			
(a)	Share Capital	100.00	50.00	50.00
(b)	Reserves & Surplus	72.91	19.53	(0.25)
		<b>172.91</b>	<b>69.53</b>	<b>49.75</b>
<b>2.</b>	<b>Non-Current Liabilities</b>			
(a)	Long Term Borrowings	425.96	256.80	278.82
(b)	Deferred Tax Liabilities (Net)	27.99	22.69	17.92
(c)	Long Term Provisions	3.05	2.90	2.11
		<b>457.00</b>	<b>282.40</b>	<b>298.85</b>
<b>3.</b>	<b>Current Liabilities</b>			
(a)	Short Term Borrowings	347.94	359.78	163.47
(b)	Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises; and	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	445.14	260.93	384.85
(c)	Other Current Liabilities	2.48	1.19	0.03
(d)	Short Term Provisions	23.87	1.33	1.39
		<b>819.43</b>	<b>623.23</b>	<b>549.74</b>
	Total	<b>1,449.34</b>	<b>975.15</b>	<b>898.33</b>
<b>B)</b>	<b>ASSETS</b>			
<b>1.</b>	<b>Non-Current Assets</b>			
(a)	Property, Plant & Equipment and Intangible Assets			
	i) Tangible Assets			
	(i) Gross Block	567.23	443.45	442.43
	(ii) Depreciation	86.72	64.12	44.50
	(iii) Net Block	480.51	379.33	397.94
			-	-
	ii) Intangible Assets			
	(i) Gross Block			
	(ii) Depreciation			
	(iii) Net Block	-	-	-
			-	-
	iii) Capital Work in Progress	-	-	-
		<b>480.51</b>	<b>379.33</b>	<b>397.94</b>
(b)	Non-Current Investment	<b>31.71</b>	15.23	14.49
(c)	Deferred Tax Assets (Net)	-	-	-
(d)	Long Term Loans and Advances	27.48	11.28	10.45
(e)	Other Non-Current Assets	-	-	-
		<b>59.19</b>	<b>26.50</b>	<b>24.94</b>
<b>2.</b>	<b>Current Assets</b>			
(a)	Inventories	<b>531.80</b>	263.88	243.36
(b)	Trade Receivables	<b>333.62</b>	297.09	235.17
(b)	Cash and Cash equivalents	<b>4.10</b>	4.51	5.67
(c)	Short-Term Loans and Advances	34.48	3.84	(8.75)
(d)	Other Current Assets	5.63	-	-
		<b>909.63</b>	<b>569.32</b>	<b>475.45</b>
	Total	<b>1,449.34</b>	<b>975.15</b>	<b>898.33</b>

**ANNEXURE II**  
**RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS**

(Amount in Rs. Lakhs)

Sr. No.	PARTICULARS	For Year ended on		
		3/31/2023	3/31/2022	3/31/2021
1	Revenue From Operation	1,751.79	1,587.95	1,211.78
2	Other Income	4.14	2.68	1.02
3	Total Income (1+2)	1,755.93	1,590.63	1,212.81
4	Expenditure			
(a)	Cost of Goods Sold	1,493.16	1,263.08	993.83
(b)	Purchases of Stock in Trade	-	-	-
(c)	Changes in inventories of finished goods.	(190.73)	8.56	(3.92)
(d)	Employee Benefit Expenses	26.26	29.62	29.04
(e)	Finance Cost	56.54	48.83	49.92
(f)	Depreciation and Amortisation Expenses	22.60	19.63	21.03
(g)	Other Expenses	217.42	196.37	115.54
5	Total Expenditure 4(a) to 4(d)	1,625.25	1,566.08	1,205.44
6	Profit/(Loss) Before Exceptional & extraordinary items & Tax (3-5)	130.69	24.55	7.36
7	Exceptional item	0.00	0	0
8	Profit/(Loss) Before Tax (6-7)	130.69	24.55	7.36
9	Tax Expense:			
(a)	Tax Expense for Current Year	22.01	-	-
(b)	Short/(Excess) Provision of Earlier Year			
(c)	Deferred Tax	5.29	4.77	5.79
	Net Current Tax Expenses	27.31	4.77	5.79
<b>10</b>	<b>Profit/(Loss) for the Year (8-9)</b>	<b>103.38</b>	<b>19.77</b>	<b>1.57</b>

**ANNEXURE III**  
**RESTATED STANDALONE CASH FLOW STATEMENT**

(Amount in Rs. Lakhs)

PARTICULARS	For the Year ended on		
	3/31/2023	3/31/2022	3/31/2021
<b>A) Cash Flow From Operating Activities:</b>			
Net Profit before tax	130.69	24.55	7.36
Adjustment for :			
Depreciation	22.60	19.63	21.03
Interest Paid	56.54	48.83	49.92
Provision of Gratuity	0.73	0.82	0.36
Loss/(Profit) on Sale of Asset			
Interest Income	(0.85)	(0.81)	(0.98)
Adjustment with the Retained earnings	-	-	-
<b>Operating profit before working capital changes</b>	<b>209.70</b>	<b>93.01</b>	<b>77.69</b>
Changes in Working Capital			
(Increase)/Decrease in Inventory	(267.92)	(20.52)	(10.91)
(Increase)/Decrease in Trade Receivables	(36.54)	(61.92)	113.89
(Increase)/Decrease in Short Term Loans & Advances and Provisions	(30.64)	(12.59)	20.56
(Increase)/Decrease in Other Current Assets	(5.63)	-	-
Increase/(Decrease) in Trade Payables	184.21	(123.92)	(101.17)
Increase/(Decrease) in Other Current Liabilities	1.29	1.16	(0.42)
Increase/(Decrease) in Short Term Provisions	21.97	(0.08)	(5.95)
<b>Cash generated from operations</b>	<b>76.44</b>	<b>(124.86)</b>	<b>93.70</b>
Less:- Income Taxes paid	(22.01)	-	-
<b>Net cash flow from operating activities</b>	<b>54.42</b>	<b>(124.86)</b>	<b>93.70</b>
<b>B) Cash Flow From Investing Activities:</b>			
Purchase of Fixed Assets including of CWIP	(123.78)	(1.02)	(4.08)
Long term Investment made/Sold during the year	(16.48)	(0.73)	(0.90)
Increase/(Decrease) in Long Term Loans and Advances	(16.21)	(0.83)	(8.82)
Increase/(Decrease) in Other Non-Current Assets	-	-	-
Interest Income	0.85	0.81	0.98
<b>Net cash flow from investing activities</b>	<b>(155.61)</b>	<b>(1.77)</b>	<b>(12.83)</b>
<b>C) Cash Flow From Financing Activities:</b>			
Proceeds from Issue of Share Capital	-	-	-
Increase/(Decrease) in Short Term Borrowings	(11.83)	196.30	(2.83)
Interim Dividend and Dividend Distribution Tax Paid			
Increase/(Decrease) in Long Term Borrowings	169.16	(22.01)	(45.81)
Interest Paid	(56.54)	(48.83)	(49.92)
<b>Net cash flow from financing activities</b>	<b>100.78</b>	<b>125.47</b>	<b>(98.56)</b>
Net Increase/(Decrease) In Cash & Cash Equivalents	<b>(0.40)</b>	<b>(1.17)</b>	<b>(17.69)</b>
Cash equivalents at the beginning of the year	4.51	5.67	23.37
Cash equivalents at the end of the year	4.10	4.51	5.67

**Notes: -**

	PARTICULARS	3/31/2023	3/31/2022	3/31/2021
1.	Component of Cash and Cash equivalents			
	Cash on hand	2.95	2.31	1.66
	Balance With banks	1.15	2.19	4.01
	Other Bank Balance	-	-	-
		<b>4.10</b>	<b>4.51</b>	<b>5.67</b>
2.	Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.			

**GENERAL INFORMATION****Brief Summary:**

Our Company was originally incorporated as a public limited company under the name and style of “Kahan Packaging Limited” at Maharashtra, Mumbai, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 19, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. We commenced commercial operations pursuant to a Certificate of Commencement of Business dated March 14, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U36100MH2013PLC240584.

For details relating to changes in our registered office, see the section titled “**History and Corporate Structure**” beginning on page 108 of this Prospectus.

<b>Registered Office</b>	<b>Kahan Packaging Limited</b> 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India. <b>Tel. No.:</b> +91-22-25004605 <b>Email:</b> <a href="mailto:info@kahanpackaging.com">info@kahanpackaging.com</a> <b>Website:</b> <a href="http://www.kpackltd.com">www.kpackltd.com</a> <b>CIN:</b> U36100MH2013PLC240584 <b>Registration No.:</b> 240584
<b>Address of the RoC</b>	<b>Registrar of Companies, Mumbai</b> 100, Everest, Marine Drive Mumbai- 400002 Maharashtra, India <b>Tel No:</b> +91-022-22812627/22020295/22846954 <b>Fax No:</b> +91- 022-22811977 <b>Email id:</b> <a href="mailto:roc.mumbai@mca.gov.in">roc.mumbai@mca.gov.in</a> <b>Website:</b> <a href="http://www.mca.gov.in">www.mca.gov.in</a>

**Board of Directors of our Company:**

The following table sets out details regarding our Board as on the date of filing of this Prospectus consists of:

Sr. No.	Name of Director	Designation	DIN	Address
1.	Prashant Jitendra Dholakia	Chairman & Managing Director	06428389	3-E, 193, 194, Kalpataru Aura, Phase-II, LBS Marg, Opp R-City Mall, Ghatkopar West, Mumbai 400086, Maharashtra, India.
2.	Rohit Jitendra Dholakia	Whole Time Director	05302050	3G/163, Kalpataru Aura, L B S Marg, Near R City, Ghatkopar West, Mumbai 400086, Maharashtra, India.
3.	Purvi Prashant Dholakia	Whole Time Director & CFO	05302029	3-E, 193, 194, Kalpataru Aura, Phase-II, LBS Marg, Opp R-City Mall, Ghatkopar West, Mumbai 400086, Maharashtra, India.
4.	Jagruiti Rohit Dholakia	Non-Executive Director	05302006	3G/163, Kalpataru Aura Phase-II, L B S Marg, Near R City, Ghatkopar West, Mumbai 400086, Maharashtra, India.
5.	Naman Haresh Patel	Independent Director	10200283	502 Nitin Villa, Plot No. 7/339, Near Gurukul Society, Panchpakhadi, Thane West, Mumbai 400602, Maharashtra, India.
6.	Tushar Rameshchandra Shah	Independent Director	10200280	Near Standard Chartred Bank, Ghatkopar (E), Plot No.168/2, Paras CHS, 60 Feet Road, Deraser Lane, VTC Rajawadi, Mumbai 400077, Maharashtra India.

For further details of our directors, please refer to the chapter titled “**Our Management**” on page 111 of this Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
<b>Purvi Prashant Dholakia</b> <b>Kahan Packaging Limited</b> 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India. <b>Tel. No.:</b> +91-22-25004605 <b>Email:</b> <a href="mailto:info@kahanpackaging.com">info@kahanpackaging.com</a> <b>Website:</b> <a href="http://www.kpackltd.com">www.kpackltd.com</a>	<b>Mithun Patel</b> <b>Kahan Packaging Limited</b> 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India. <b>Tel. No.:</b> +91-22-25004605 <b>Email:</b> <a href="mailto:info@kahanpackaging.com">info@kahanpackaging.com</a> <b>Website:</b> <a href="http://www.kpackltd.com">www.kpackltd.com</a>

**Investor Grievances:**

Investors may contact our Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, 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 or refund orders, and/ or non-receipt of funds by electronic mode, etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of Equity Shares applied for, the Application Amount paid on submission of the Application Form and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate if the Application was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Application was submitted to a Registered Broker at any of the Brokers Centres, as the case maybe, quoting the full name of the sole or first Applicant, Application Form number, address of the Applicant, Applicant's DP-ID, Client-ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the Depository Participant, as the case may be, where the Application was submitted, and the ASBA Account number in which the amount equivalent to the Application Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

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

Lead Manager to the Issue	Legal Advisor to the Issue
<p><b>Hem Securities Limited</b>  <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India.  <b>Tel No.:</b> +91-22-4906 0000  <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a>  <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a>  <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a>  <b>Contact Person:</b> Mr. Ajay Jain  <b>SEBI Reg. No.:</b> INM000010981</p>	<p><b>Mindspright Legal</b>  <b>Address:</b> 712-714, C-Wing, Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, Maharashtra, India.  <b>Tel No.:</b> +91-22-42197000  <b>Email:</b> <a href="mailto:legal@mindspright.co.in">legal@mindspright.co.in</a>  <b>Contact Person:</b> Richa Bhansali  <b>Website:</b> <a href="http://www.mindspright.co.in">www.mindspright.co.in</a></p>
Registrar to the Issue	Statutory Auditor
<p><b>Purva Shareregistry (India) Private Limited</b>  9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai 400011, Maharashtra, India.  <b>Tel. No.:</b> +91 022 49614132  <b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a>  <b>Investor grievance e-mail:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a>  <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a>  <b>Contact Person:</b> Deepali Dhuri  <b>Validity Period:</b> Permanent  <b>SEBI Regn. No.</b> INR000001112  <b>CIN:</b> U67120MH1993PTC074079</p>	<p><b>M/s. Dhanesh Amritlal &amp; Associates</b>  <b>Chartered Accountants,</b>  <b>Address:</b> 401, Atlantic Tower CHS, Above Vodafone Gallery, R. B. Road, Patel Chowk, Ghatkopar East, Mumbai 400077, Maharashtra, India.  <b>Tel No.:</b> +91 022-25013700/35677529/9930176665  <b>Email:</b> <a href="mailto:cadhaneshsavani@gmail.com">cadhaneshsavani@gmail.com</a>  <b>Firm Registration No.:</b> 142800W  <b>Membership No:</b> 111805  <b>Peer Review Certificate Number:</b> 015432  <b>Contact Person:</b> CA. Dhanesh Amritlal Savani</p>
Peer Review Auditor*	Bankers to our Company
<p><b>M/s. R K Jagetiya &amp; Co.</b>  <b>Chartered Accountants,</b>  <b>Address:</b> B-303, Eklavya CHSL, N. L. Complex, Dahisar East, Mumbai – 400068, Maharashtra, India  <b>Tel No.:</b> +91-9820800926  <b>Email:</b> <a href="mailto:rkjagetiya@gmail.com">rkjagetiya@gmail.com</a>  <b>Firm Registration No.:</b> 146264W  <b>Membership No:</b> 134691  <b>Peer Review Certificate Number:</b> 013198  <b>Contact Person:</b> Ravi K Jagetiya</p>	<p><b>Bank of India</b>  <b>Address:</b> Opera House Branch, Hermes House, Charni Road, Mumbai-400004, Maharashtra, India  <b>Tel:</b> +91 022-2364 6093; 23690695  <b>Email:</b> <a href="mailto:OperaHouse.MumbaiSouth@bankofindia.co.in">OperaHouse.MumbaiSouth@bankofindia.co.in</a>  <b>Website:</b> <a href="http://www.bankofindia.co.in">www.bankofindia.co.in</a>  <b>Contact Person:</b> Khirod Ch. Shau  <b>Designation:</b> Asst. General Manager</p>

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

**Axis Bank Limited**

**Address:** Giriraj Height (Vrajbhoomi Complex), Link Road,  
Kandivali West, Mumbai-400067, Maharashtra, India.

**Tel No:** +91- 022-29672795/8879645541

**Fax:** +91 -022-29672795

**Email :** [Kandivaliwestlinkroad.branchhead@axisbank.com](mailto:Kandivaliwestlinkroad.branchhead@axisbank.com);

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

**Contact Person:** Mr. Mineet Trehan

**SEBI Reg No:** INBI00000017

**CIN:** L65110GJ1993PLC020769

*\*In accordance with the SEBI (ICDR) Regulations, we have appointed M/s. R K Jagetiya & Co. Chartered Accountants, (FRN: 146264W) as Peer Review Auditor vide Board Resolution dated March 22, 2023 for restatement of financial statements for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021.*

**Designated Intermediaries:**

**Self-Certified Syndicate Banks (SCSB's)**

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>;

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

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

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

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

**Syndicate SCSB Branches**

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

**Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited at [www.bseindia.com](http://www.bseindia.com) as updated from time to time

**Registrar and Share Transfer Agents**

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

**Collecting Depository Participants (CDP's)**

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

### **Brokers to the Issue**

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

### **Experts Opinion**

Except for the reports in the section “*Statement of Special Tax Benefits*”, “*Financial Information of the Company*” “*Statement of Financial Indebtedness*” on page 71, 129 and 162 respectively of this Prospectus from the Peer Review Auditor, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors for inclusion of their name in this Prospectus, as required under Companies Act read with SEBI (ICDR) Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

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

Since, Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Manager is not applicable.

### **Monitoring Agency**

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹10,000 Lakhs. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, as per section 177 of the Companies Act, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Appraising Entity**

None of the objects for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

### **Credit Rating**

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

### **IPO Grading**

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

### **Trustees**

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

### **Debenture Trustees**

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

### **Filing of Draft Prospectus/Prospectus with the Designated Stock Exchange/SEBI/ROC**

The Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.



A copy of the Prospectus, along with the material contracts and documents required to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>.

### Withdrawal of the Issue

Our Company in consultation with the LM, reserve the right to not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final Registrar of Companies approval of the Prospectus.

### Underwriting

The Company and the Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter Hem Securities Limited in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated July 15, 2023 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
<b>Hem Securities Limited</b> <b>Address:</b> - 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India. <b>Tel No.:</b> +91-22-4906 0000 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Ajay Jain <b>SEBI Registration Number:</b> INM000010981	7,20,000 Equity Share	576.00	100.00%

*\*Includes 40,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

### Change in Auditors during the last three (3) years

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years.

Details of Auditors	Date of Change	Reason
<b>M/s. Jayesh Ramniklal Bagadia</b> <b>Chartered Accountants,</b> <b>Address:</b> A-6, Swagat Building, Ciba Society, Amrutnagar, Ghatkopar(W), Mumbai-400086, Maharashtra, India.	June 10, 2020	Resignation due to health issue

Details of Auditors	Date of Change	Reason
<b>Tel No.:</b> +91 022-25002720/9322226274/9920403340 <b>Email:</b> <a href="mailto:jbca2020@gmail.com">jbca2020@gmail.com</a> <b>Firm Registration No.:</b> 112418W <b>Membership No:</b> 034706 <b>Contact Person:</b> CA. Jayesh Bagadia		
<b>M/s. Dhanesh Amritlal &amp; Associates</b> <b>Chartered Accountants,</b> <b>Address:</b> 401, 4 <sup>th</sup> Floor, Atlantic Tower Commercial Premises, Patel Chowk, R.B. Mehta Marg, Ghatkopar East, Mumbai 400077, Maharashtra, India. <b>Tel No.:</b> +91 22-25013700/9821193470 <b>Email:</b> <a href="mailto:cadhaneshsavani@gmail.com">cadhaneshsavani@gmail.com</a> <b>Firm Registration No.:</b> 142800W <b>Membership No:</b> 111805 <b>Contact Person:</b> CA. Dhanesh Amritlal Savani	July 10, 2020	Appointment of Statutory Auditors in casual vacancy

#### Details of the Market Making arrangement for this Issue

Our Company has entered into a Market Making Agreement dated July 15, 2023 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

<b>Name</b>	Hem Finlease Private Limited
<b>Correspondence Address:</b>	203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India.
<b>Tel No.:</b>	0141-4051000
<b>E-mail:</b>	<a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a>
<b>Website:</b>	<a href="http://www.hemsecurities.com">www.hemsecurities.com</a>
<b>Contact Person:</b>	Rohit Sharma
<b>SEBI Registration No.:</b>	INZ000168034
<b>Market Maker Registration No.</b>	SMEREG2020090906741

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with BSE to fulfill the obligations of Market Making) dated July 15, 2023 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

Hem Finlease Private Limited, registered with SME Platform of BSE "BSE SME" will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

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

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 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 the BSE Limited (SME platform of BSE) and SEBI from time to time.
- 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(s) (individually or jointly) 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 Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of BSE (in this case currently the minimum trading lot size is 1600 equity shares; however the same may be changed by the SME platform of BSE from time to time).

- 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. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE 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.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' 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. 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 LM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the LM 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 10.00 a.m. to 5.00 p.m. on working days.
- **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.
- **Punitive Action in case of default by Market Makers:** The 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 security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The 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.

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 following spread will be applicable on the BSE SME Exchange/ Platform.

S. 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

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

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI / 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 share capital of our Company as on the date of this Prospectus, is set forth below:

Sr. No.	Particulars	(Rs. in Lakhs, except share data)	
		Aggregate Value at Face Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorized Share Capital</b> 50,00,000 Equity Shares having face value of ₹ 10/- each	500.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 20,00,000 Equity Shares having face value of ₹10/- each	200.00	-
<b>C</b>	<b>Present Issue in terms of this Prospectus**</b> 7,20,000 Equity Shares having face value of ₹ 10/-each at a premium of ₹70 per share	72.00	576.00
	<i>Which comprises of:</i>		
<b>D</b>	<b>Reservation for Market Maker Portion</b> 40,000 Equity Shares of face value of ₹10/- each at a premium of ₹70 per Equity Shares	4.00	32.00
<b>E</b>	<b>Net Issue to Public*</b> Net Issue to Public of 6,80,000 Equity Shares of face value of ₹10/- each at a premium of ₹70 per Equity Shares	68.00	544.00
	<i>Of which:</i>		
	<b>i.</b> At least 3,40,800 Equity Shares aggregating up to Rs. 272.64 lakhs will be available for allocation to Retail Individual Investors	34.08	272.64
	<b>ii.</b> Not more than 3,39,200 Equity Shares aggregating up to Rs. 271.36 lakhs will be available for allocation to investors other than Retail Individual Investors (including Non- Institutional Investors and Qualified Institutional Buyers).	33.92	271.36
<b>F</b>	<b>Issued, Subscribed and Paid-up Equity Shares Share Capital after the Issue</b> 27,20,000 Equity Shares of face value of ₹10/- each		272.00
<b>G</b>	<b>Securities Premium Account</b> Before the Issue (as on date of this Prospectus)		Nil
	After the Issue		504.00

\*Subject to finalisation of the Basis of Allotment.

\*\*The Present Issue of 7,20,000 Equity Shares in terms of this Prospectus has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 17, 2023 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on June 19, 2023.

**Classes of Shares: -**

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

**Notes to the Capital Structure:****1. Changes in Authorised Equity Share Capital of our Company:**

Sr. No.	Particulars of Changes	Cumulative No. of Equity Shares	Face Value of Equity Shares Share	Cumulative Authorized Share Capital (Rs. in lakhs)	Date of Shareholders' Meeting	Whether AGM/ EGM
1.	Upon incorporation	50,000	10/-	5.00	On Incorporation	N.A.
2.	Increase in Authorised Share Capital from ₹5.00 Lakhs to ₹ 200.00 Lakhs	20,00,000	10/-	200.00	December 20, 2016	EGM
3.	Increase in Authorised Share Capital from ₹ 200.00 Lakhs to ₹ 500.00 Lakhs	50,00,000	10/-	500.00	April 25, 2023	EGM

**2. Share Capital History of our Company:****a) Equity Shares capital**

The following table sets forth details of the history of the Equity Shares capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (₹)
Upon Incorporation	50,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	50,000	5,00,000
June 25, 2019	4,50,000	10	10	Cash	Right Issue <sup>(ii)</sup>	5,00,000	50,00,000
March 22, 2023	5,00,000	10	-	Other than Cash	Bonus Issue in the ratio of 1:1 <sup>(iii)</sup>	10,00,000	1,00,00,000
June 15, 2023	10,00,000	10	10	Cash	Right Issue <sup>(iv)</sup>	20,00,000	2,00,00,000

All the above-mentioned shares are fully paid up since the date of allotment.

(i) Initial Subscribers to Memorandum of Association subscribed 50,000 Equity Shares of face value of Rs. 10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Equity Shares Subscribed
1.	Prashant Jitendra Dholakia	16,500
2.	Rohit Jitendra Dholakia	16,500
3.	Jagruti Rohit Dholakia	4,000
4.	Purvi Prashant Dholakia	8,000
5.	Anvi Rohit Dholakia	4,000
6.	Mehul Ravilal Dedhia	500
7.	Neela Hemant Mehta	500
<b>Total</b>		<b>50,000</b>

(ii) Right Issue of 4,50,000 Equity Shares of face value of Rs.10/- each at par to the members in proportion to their present Shareholding in existing paid-up capital as per details given below:

Sr. No.	Name of Allottees	Number of Equity Shares Allotted
1.	Prashant Jitendra Dholakia	1,48,500
2.	Rohit Jitendra Dholakia	1,48,500
3.	Jagruti Rohit Dholakia	76,500
4.	Purvi Prashant Dholakia	76,500
<b>Total</b>		<b>4,50,000</b>

(iii) Bonus issue of 5,00,000 Equity Shares of face value of Rs. 10/-each in the ratio of 1:1 i.e. One (1) Bonus Equity Shares for every One (1) Equity Shares held by shareholders. (refer point no. 4 below for allottees list):

(iv) Right Issue of June 15, 2023 Equity Shares of face value of Rs.10/- each at par to the members in proportion to their present Shareholding in existing paid-up capital as per details given below:

Sr. No.	Name of Allottees	Number of Equity Shares Allotted
1.	Prashant Jitendra Dholakia	3,30,000
2.	Rohit Jitendra Dholakia	3,30,000
3.	Jagruti Rohit Dholakia	1,70,000
4.	Purvi Prashant Dholakia	1,70,000
<b>Total</b>		<b>10,00,000</b>

- b) **Preference Share Capital:** As on the date of this Prospectus, our Company has not issued preference shares and does not have any outstanding preference shares.

**3. Details of Allotment made in the last two years preceding the date of Prospectus**

Except as mentioned in point number 2.a(iii) & 2.a(iv) above, the Company has not issued any Equity Share in the last two years preceding the date of the Prospectus.

**4. Issue of Equity Shares for consideration other than cash:**

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

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottee	No. of Shares Allotted
March 22, 2023	5,00,000	10	Nil	Bonus Issue in the ratio of 1:1	Capitalization of Reserves & Surplus	Prashant Jitendra Dholakia	1,65,000
						Rohit Jitendra Dholakia	1,65,000
						Jagruti Rohit Dholakia	80,500
						Purvi Prashant Dholakia	84,500
						Anvi Rohit Dholakia	4,000
						Mehul Ravilal Dedhia	500
						Jainam Prashant Dholakia	500
						<b>Total</b>	<b>5,00,000</b>

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company does not have any Employee Stock Option Scheme as on the date of the Prospectus and has accordingly not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for Bonus Issue made on March 23, 2023 and Right Issue of June 15, 2023. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Prospectus which may be lower than the Issue Price.
8. Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

**9. Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Prospectus:

**I. Our Shareholding Pattern:-**

Sr. No.	Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	No. of Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII	XIV	
(A)	Promoter & Promoter Group	6	19,99,000	-	-	19,99,000	99.95	19,99,000	-	19,99,000	99.95	-	-	-	-	-	-	19,99,000
(B)	Public	1	1,000	-	-	1,000	0.05	1,000	-	1,000	0.05	-	-	-	-	-	-	1,000
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>20,00,000</b>	<b>-</b>	<b>-</b>	<b>20,00,000</b>	<b>100.00</b>	<b>20,00,000</b>	<b>-</b>	<b>20,00,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,00,000</b>

The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**Notes:-**

\*As on date of this Prospectus 1 Equity Shares share holds 1 vote.

We have only one class of Equity Shares of face value of Rs. 10/- each.

We have entered into tripartite agreement with CDSL & NSDL

Our Company will file the shareholding pattern in the format prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.



**10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**

a) As on the date of filing of this Prospectus: -

Sr. No.	Names of Shareholders	Equity Shares held (Face Value of Rs. 10 each)	% Pre-Issue paid up Share Capital
1.	Prashant Jitendra Dholakia	6,60,000	33.00
2.	Rohit Jitendra Dholakia	6,60,000	33.00
3.	Jagruti Rohit Dholakia	3,31,000	16.55
4.	Purvi Prashant Dholakia	3,39,000	16.95
	<b>Total</b>	<b>19,90,000</b>	<b>99.50</b>

b) Ten days prior to the date of filing of this Prospectus: -

Sr. No.	Names of Shareholders	Equity Shares held (Face Value of Rs. 10 each)	% Pre-Issue paid up Share Capital
1.	Prashant Jitendra Dholakia	6,60,000	33.00
2.	Rohit Jitendra Dholakia	6,60,000	33.00
3.	Jagruti Rohit Dholakia	3,31,000	16.55
4.	Purvi Prashant Dholakia	3,39,000	16.95
	<b>Total</b>	<b>19,90,000</b>	<b>99.50</b>

c) One Year prior to the date of filing of this Prospectus: -

Sr. No.	Names of Shareholders	Equity Shares held (Face Value of Rs. 10 each)	% Pre-Issue paid up Share Capital
1.	Prashant Jitendra Dholakia	1,65,000	33.00
2.	Rohit Jitendra Dholakia	1,65,000	33.00
3.	Jagruti Rohit Dholakia	80,500	16.10
4.	Purvi Prashant Dholakia	84,500	16.90
	<b>Total</b>	<b>4,95,000</b>	<b>99.00</b>

\*Details of shares held on August 31, 2022 and percentage held has been calculated based on the paid-up capital of our Company as on August 31, 2022 .

d) Two Years prior to the date of filing of this Prospectus: -

Sr. No.	Names of Shareholders	Equity Shares held (Face Value of Rs. 10 each)	% Pre-Issue paid up Share Capital
1.	Prashant Jitendra Dholakia	1,65,000	33.00
2.	Rohit Jitendra Dholakia	1,65,000	33.00
3.	Jagruti Rohit Dholakia	80,500	16.10
4.	Purvi Prashant Dholakia	84,500	16.90
	<b>Total</b>	<b>4,95,000</b>	<b>99.00</b>

\*Details of shares held on August 31, 2021 and percentage held has been calculated based on the paid-up capital of our Company as on August 31, 2021.

**11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.**

There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares 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 of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

## 12. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Prospectus, Our Promoters, Prashant Jitendra Dholakia and Rohit Jitendra Dholakia, collectively hold 13,20,000 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Acquisition	Pre-Issue Shareholding % (adjusted as per face value)	Post-Issue Shareholding % (adjusted as per face value)
<b>(A) Prashant Jitendra Dholakia</b>							
February 19, 2013	16,500	10	10	Cash	Subscriber to MOA	0.83%	0.61%
June 25, 2019	1,48,500	10	10	Cash	Right Issue	7.43%	5.46%
March 22, 2023	1,65,000	10	-	Other than Cash	Bonus Issue in the ratio of 1:1	8.25%	6.07%
June 15, 2023	3,30,000	10	10	Cash	Right Issue	16.50%	12.13%
<b>Total (A)</b>	<b>6,60,000</b>					<b>33.00%</b>	<b>24.26%</b>
<b>(B) Rohit Jitendra Dholakia</b>							
February 19, 2013	16,500	10	10	Cash	Subscriber to MOA	0.83%	0.61%
June 25, 2019	1,48,500	10	10	Cash	Right Issue	7.43%	5.46%
March 22, 2023	1,65,000	10	-	Other than Cash	Bonus Issue in the ratio of 1:1	8.25%	6.07%
June 15, 2023	3,30,000	10	10	Cash	Right Issue	16.50%	12.13%
<b>Total (B)</b>	<b>6,60,000</b>					<b>33.00%</b>	<b>24.26%</b>
<b>Grand Total (A+B)</b>	<b>13,20,000</b>					<b>66.00%</b>	<b>48.53%</b>

*Note: None of the Shares has been pledged by our Promoters.*

## 13. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Prashant Jitendra Dholakia	6,60,000	7.50
2.	Rohit Jitendra Dholakia	6,60,000	7.50

## 14. Shareholding of Promoters & Promoters Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoter and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Prashant Jitendra Dholakia	6,60,000	33.00	6,60,000	24.26
2.	Rohit Jitendra Dholakia	6,60,000	33.00	6,60,000	24.26
	<b>Sub Total (A)</b>	<b>13,20,000</b>	<b>66.00</b>	<b>13,20,000</b>	<b>48.53</b>

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters Group</b>				
3.	Jagruti Rohit Dholakia	3,31,000	16.55	3,31,000	12.17
4.	Purvi Prashant Dholakia	3,39,000	16.95	3,39,000	12.46
5.	Anvi Rohit Dholakia	8,000	0.40	8,000	0.29
6.	Jainam Prashant Dholakia	1,000	0.05	1,000	0.04
	<b>Sub Total (B)</b>	<b>6,79,000</b>	<b>33.95</b>	<b>6,79,000</b>	<b>24.96</b>
	<b>Grand Total (A+B)</b>	<b>19,99,000</b>	<b>99.95</b>	<b>19,99,000</b>	<b>73.49</b>

15. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Prospectus.

Date of Allotment/ Transfer	Name of Shareholders	No. of Equity Share	% of Pre issue Capital	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoter/ Promoter Group/ Director)
March 22, 2023	Prashant Jitendra Dholakia	1,65,000	8.25	Bonus Issue in the ratio of 1:1	Promoter & Director
March 22, 2023	Rohit Jitendra Dholakia	1,65,000	8.25	Bonus Issue in the ratio of 1:1	Promoter & Director
March 22, 2023	Jagruti Rohit Dholakia	80,500	4.03	Bonus Issue in the ratio of 1:1	Promoter Group & Director
March 22, 2023	Purvi Prashant Dholakia	84,500	4.23	Bonus Issue in the ratio of 1:1	Promoter Group & Director
March 22, 2023	Anvi Rohit Dholakia	4,000	0.20	Bonus Issue in the ratio of 1:1	Promoter Group
March 22, 2023	Jainam Prashant Dholakia	500	0.03	Bonus Issue in the ratio of 1:1	Promoter Group
June 15, 2023	Prashant Jitendra Dholakia	3,30,000	16.50	Right Issue	Promoter & Director
June 15, 2023	Rohit Jitendra Dholakia	3,30,000	16.50	Right Issue	Promoter & Director
June 15, 2023	Jagruti Rohit Dholakia	1,70,000	8.50	Right Issue	Promoter Group & Director
June 15, 2023	Purvi Prashant Dholakia	1,70,000	8.50	Right Issue	Promoter Group & Director

16. None of our Promoters, Promoter Group, our directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Prospectus.

#### 17. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity Shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Prospectus, our Promoters collectively hold 13,20,000 Equity Shares constituting 48.53% of the Post – Issued, subscribed and paid-up Equity Shares Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters, Prashant Jitendra Dholakia and Rohit Jitendra Dholakia, have given written consent to include 5,50,000 Equity Shares held by them as part of Promoters Contribution constituting 20.22% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
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<b>Prashant Jitendra Dholakia</b>						
June 25, 2019	1,10,000	10	10	Right Issue	4.04	3 years
March 22, 2023	1,65,000	10	-	Bonus Issue in the ratio of 1:1	6.07	3 years
<b>Total</b>	<b>2,75,000</b>				<b>10.11</b>	
<b>Rohit Jitendra Dholakia</b>						
June 25, 2019	1,10,000	10	10	Right Issue	4.04	3 years
March 22, 2023	1,65,000	10	-	Bonus Issue in the ratio of 1:1	6.07	3 years
<b>Total</b>	<b>2,75,000</b>				<b>10.11</b>	

\*Assuming full subscription to the Issue.

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "Promoter" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations, 2018 and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations, 2018 i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

#### **Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018**

<b>Reg. No.</b>	<b>Promoters' Minimum Contribution Conditions</b>	<b>Eligibility Status of Equity Shares forming part of Promoter's Contribution</b>
237(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237(1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237(1)(b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237(1)(c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237(1)(d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

#### **Details of Promoters' Contribution Locked-in for One Year**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue Equity Shares share capital constituting 14,50,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

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

- a) In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
  - b) 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.
  - c) Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
18. Neither, we nor our Promoters, Directors and the Lead Manager to this Issue have entered into any buyback and/or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
  19. As on the date of this Prospectus, the entire Issued, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid-up Equity Shares.
  20. The LM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Prospectus.
  21. As on the date of this Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan 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.
  22. We have 7 (Seven) shareholders as on the date of filing of this Prospectus.
  23. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
  24. Our Company has not raised any bridge loan against the proceeds of the Issue.
  25. As on the date of this Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
  26. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
  27. An over-subscription to the extent of 1% of the Issue, subject to the maximum post issue paid up capital of Rs. 25 Cr. can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the

excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3-year lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

28. Allocation to all categories shall be made on a proportionate basis subject to valid Applications received. 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 Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
29. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
34. There are no Equity Shares against which depository receipts have been issued.
35. Other than the Equity Shares, there is no other class of securities issued by our Company.
36. There are no safety net arrangements for this public issue.
37. As per RBI regulations, OCBs are not allowed to participate in this issue.
38. Our Promoters and Promoter Group will not participate in this Issue.
39. This Issue is being made through Fixed Price Issue.
40. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
41. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Shares Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
42. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Prospectus with the Registrar of companies and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

**OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of up to 7,20,000 Equity Shares of our Company at an Issue Price of ₹80 per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:

1. To meet working capital requirements;
  2. General Corporate Purpose;
- (Collectively referred as the “**Objects**”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the 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.

The main objects clause of our Memorandum enables our Company to undertake its existing activities.

**Net Proceeds**

The details of the Net Proceeds are set forth below:

<b>Particulars</b>	<b>Amt (Rs. in Lakhs)</b>
Gross Proceeds of the Issue	576.00
Less: Issue related expenses in relation to Issue	81.93
<b>Net Proceeds</b>	<b>494.07</b>

**Requirement of Funds and Utilization of Net Proceeds**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

<b>S. No</b>	<b>Particulars</b>	<b>Amt (Rs. in Lakhs)</b>
1.	To meet working capital requirements	400.00
2.	General Corporate Purpose	94.07
	<b>Total</b>	<b>494.07</b>

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

**Means of Finance**

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

<b>Particulars</b>	<b>Amt (Rs. in Lakhs)</b>
Net Issue Proceeds	494.07
<b>Total</b>	<b>494.07</b>

*Since, the entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI (ICDR) Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such

as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 22 of the Prospectus.

### Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

#### 1. To Meet Working Capital Requirement

Our business requires working capital majorly for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹ 400.00 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time.

With the expansion of the business the company, we will be in the need of additional working capital requirements. The major capital will be invested in the trade receivables, inventories and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹400.00 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(Rs. In Lakhs)

S. No.	Particulars	Audited			Estimated
		31-March-2021	31-March-2022	31-March-2023	31-March-2024
<b>I</b>	<b>Current Assets</b>				
	Inventories	243.36	263.88	531.80	691.33
	Trade receivables	235.17	297.09	333.62	647.92
	Cash and bank balances	5.67	4.51	4.10	5.74
	Short Term Loans & Advances	(8.75)	3.84	34.48	12.98
	Other current assets	-	-	5.63	4.85
	<b>Total(A)</b>	<b>475.45</b>	<b>569.32</b>	<b>909.63</b>	<b>1362.83</b>
<b>II</b>	<b>Current Liabilities</b>				
	Trade payables	384.85	260.93	445.14	477.10
	Other current liabilities	0.03	1.19	2.48	3.72
	Short-term provisions	1.39	1.33	23.87	6.56
	<b>Total (B)</b>	<b>386.26</b>	<b>263.45</b>	<b>471.49</b>	<b>487.38</b>
<b>III</b>	<b>Total Working Capital Gap C=A-B</b>	<b>89.19</b>	<b>305.86</b>	<b>438.15</b>	<b>875.45</b>
<b>IV</b>	<b>Funding Pattern</b>				
	Short Term Borrowings & Internal accruals	89.19	305.86	438.15	475.45
	<b>IPO Proceeds</b>				<b>400.00</b>

#### Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as well as projections for financial year ended March 31, 2024.

Particulars	Unit	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
		Audited	Audited	Audited	Provisional
Debtors	Days	88	61	66	68
Creditors	Days	159	91	82	80
Inventories	Days	88	73	111	115

#### Justification:

<b>Debtors</b>	We have assumed Debtors holding period to be at around 68 days for FY 2023-24.
<b>Creditors</b>	We have assumed Creditors payment period to be at around 80 days for FY 2023-24
<b>Inventories</b>	Inventories include raw materials, WIP and finished goods. The historical holding days of inventories has been in range 70 to 120 days during financial year ended March 31, 2023, March 31, 2022 and March 31, 2021. Company estimates inventories holding days to be around 115 days for FY 2023-24.



## 2. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. 94.07 Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of Rs. 81.93 lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## 3. Public Issue Expenses

The total estimated Issue Expenses are Rs. 81.93 Lakhs, which is 14.22% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Activities	(Rs. in Lakh) *	As a % of Estimates Issue Expenses	As a % of Issue Size
Lead Manger Fees	22.00	26.85%	3.82%
Fees Payable to Registrar to the Issue	0.75	0.92%	0.13%
Fees Payable for Advertising and Publishing Expenses	3.00	3.66%	0.52%
Fees Payable to Regulators including Stock Exchanges	3.00	3.66%	0.52%
Payment for Printing & Stationery, Postage, etc.	2.50	3.05%	0.43%
Fees Payable to Auditor, Legal Advisors and other Professionals	4.60	5.61%	0.80%
Others (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, Processing Fees*, Underwriting fees and Miscellaneous Expenses)	46.08	56.25%	8.00%
<b>Total</b>	<b>81.93</b>	<b>100.00%</b>	<b>14.22%</b>

\*Issue expenses will be finalized on determination of Issue Price and incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE

(3) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	Rs. 10 per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	Rs. 10 per valid Bid cum Application Form (plus applicable taxes)

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed 1 lakh (plus applicable taxes) and in case if the total processing fees exceeds 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.

(4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	Rs. 10 per valid application (plus applicable taxes)
Sponsor Bank - Axis Bank Limited	Rs. 6 per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds Rs. 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: Rs.10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing would be as follows:

Portion for Retail Individual Bidders*	Rs.10 per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	Rs.10 per valid application (plus applicable taxes)

\* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed Rs. 1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds Rs. 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the Bid cum Application Form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the Bid cum Application Form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: Rs. 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

#### **Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(Rs. In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in
		F.Y. 23-24
1.	To meet working capital requirements	400.00
2.	General Corporate Purpose	94.07
	<b>Total</b>	<b>494.07</b>

**Funds Deployed and Source of Funds Deployed:**

M/s. Dhanesh Amritlal & Associates., Chartered Accountants vide their certificate dated August 23, 2023 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Issue Expenses	6.75
<b>Total</b>	<b>6.75</b>

**Sources of Financing for the Funds Deployed:**

M/s. Dhanesh Amritlal & Associates., Chartered Accountants vide their certificate dated August 23, 2023 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Internal Accruals	6.75
<b>Total</b>	<b>6.75</b>

**Appraisal**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

**Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

**Bridge Financing Facilities**

As on the date of the Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

**Monitoring Utilization of Funds**

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

**Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

**Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

**BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 22, 87 and 129 respectively of the Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price will be determined by our Company in consultation with the LM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10.00 each and the Issue Price is Rs. 80, which are 8 times of the face value.

**QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry and the following are our primary competitive strength:

1. Wide Range of Products
2. In-house Manufacturing capabilities
3. Strong relationship with customers and suppliers
4. Experienced management team with industry expertise and successful track record

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 87 of the Prospectus.

**QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 129 of this Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

**1. Basic & Diluted Earnings per share (EPS) (Face value of Rs. 10 each), as adjusted for change in capital:**

Sr. No	Period	Basic & Diluted (Rs.)	Weights
1.	Period ending March 31, 2023	10.34	3
2.	Period ending March 31, 2022	1.98	2
3.	Period ending March 31, 2021	0.16	1
	<b>Weighted Average</b>	<b>5.86</b>	

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company as adjusted with the effect of issue of Bonus shares.
- ii. The face value of each Equity Share is Rs.10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with **Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.**
- v. **Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year**
- vi. **Diluted Earnings per Share = Net Profit/ (Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year.**

**2. Price Earning (P/E) Ratio in relation to the Issue Price of Rs. 80/-**

Particulars	(P/E) Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2023.	7.74
P/E ratio based on the Weighted Average EPS, as restated.	13.66

Industry P/E Ratio*	
Highest	54.43
Lowest	11.14
<b>Industry Average</b>	<b>27.73</b>

\*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business. Average PE have been calculated based on the PE of the Peer company SAH Polymers Limited, Rishi Techtex Limited and Uflex Limited.

**Note:**

- The P/E ratio has been computed by dividing Issue Price with EPS.
- P/E Ratio of the company is based on the Annual report/ financial results of the company for the year 2023 and stock exchange data dated August 21, 2023.

**3. Return on Net worth (RoNW)\***

Sr. No	Period	(RoNW)	Weights
1.	Period ending March 31, 2023	59.79%	3
2.	Period ending March 31, 2022	28.44%	2
3.	Period ending March 31, 2021	3.15%	1
	<b>Weighted Average</b>	<b>39.90%</b>	

\*Restated Profit after tax/Net Worth

**Note:**

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year

**4. Net Asset Value (NAV) per Equity Share:**

Sr. No.	NAV per Equity Share	Outstanding at the end of the year
a)	As at March 31, 2023	17.29
b)	As at March 31, 2022	6.95
c)	As at March 31, 2021	4.98
d)	NAV per Equity Share after the Issue	31.21
e)	Issue Price	80.00

**Note:**

- The NAV per Equity Share has been computed by dividing restated net worth with weighted average number of equity shares outstanding at the end of the year.

**5. Comparison of Accounting Ratios with Industry Peers: -**

Name of Company	Current Market Price (Rs.)	Face Value (Rs.)	EPS (Rs.)	PE	RoNW (%)	Book Value (Rs.)	Total Income (Rs. in Lakhs)
Kahan Packaging Limited	80.00	10	10.34	7.74	59.79%	17.29	1755.93
<b>Peer Group</b>							
Sah Polymers Limited	114.3	10	2.10	54.43	4.29%	33.95	9721.62
Rishi Techtex Limited	26.62	10	1.51	17.63	3.65%	38.45	10725.11
Uflex Ltd	376.05	10	33.75	11.14	8.40%	402.03	681700.88

**Notes:**

- Source – Annual report/ financial results of the company for the year 2023 and stock exchange data dated August 21, 2023. For our Company, we have taken CMP as the issue price of equity share. Further, P/E Ratio is based on the CMP of the respective scrips.
- The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2022-23.
- NAV per share is computed as the closing net worth divided by the closing outstanding number of paid-up equity shares as adjusted with the effect of Bonus Issue.
- P/E Ratio of the company is based on the Annual report/ financial results of the company for the year 2023 and stock exchange data dated August 21, 2023.
- RoNW has been computed as net profit after tax divided by closing net worth.
- Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- The face value of Equity Shares of our Company is Rs. 10/- per Equity Share and the Issue price is 8.00 times the face value of equity share.

## 6. Key Performance Indicators: -

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 10, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Prospectus. Further, the KPIs herein have been certified by M/s. R K Jagetia & Co., Chartered Accountants, by their certificate dated August 10, 2023.

The KPIs of our Company have been disclosed in the sections titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*” on pages 87 and 166, respectively. We have described and defined the KPIs as applicable in “*Definitions and Abbreviations*” on page 1 of this Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI (ICDR) Regulations.

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	1,751.79	1,587.95	1,211.78
EBITDA <sup>(2)</sup>	200.92	81.06	77.29
EBITDA Margin <sup>(3)</sup>	11.47%	5.10%	6.38%
PAT <sup>(4)</sup>	103.38	19.77	1.57
PAT Margin <sup>(5)</sup>	5.90%	1.25%	0.13%
RoE (%) <sup>(6)</sup>	85.28%	33.16%	3.20%
RoCE (%) <sup>(7)</sup>	19.77%	10.69%	11.64%

#### Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

<sup>(3)</sup> ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> ‘PAT Margin’ is calculated as PAT for the year divided by revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as total assets less current liabilities.

#### Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

## 7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

*(₹ In Lakhs except percentages and ratios)*

Key Financial Performance	Kahan Packaging Limited			Sah Polymers Limited			Rishi Techtex Limited			Uflex Limited		
	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	1751.79	1,587.95	1,211.78	9539.92	8,051.14	5,506.99	10683.66	10085.75	8106.79	677889.3	567378.2	463506.6
EBITDA <sup>(2)</sup>	200.92	81.06	77.29	693.09	773.4	329.71	594.41	610.01	480.64	69565.09	60639.94	72780.62
EBITDA Margin (%) <sup>(3)</sup>	11.47%	5.10%	6.38%	7.27%	9.61%	5.99%	5.56%	6.05%	5.93%	10.26%	10.69%	15.70%
PAT <sup>(4)</sup>	103.38	19.77	1.57	376.06	437.54	127.23	111.26	131.85	41.88	24372.15	22232.48	23044.27
PAT Margin (%) <sup>(5)</sup>	5.90%	1.25%	0.13%	3.94%	5.43%	2.31%	1.04%	1.31%	0.52%	3.60%	3.92%	4.97%
RoE (%) <sup>(6)</sup>	85.28%	33.16%	3.20%	4.29%	16.42%	6.33%	3.65%	4.49%	1.49%	8.40%	8.29%	9.31%
RoCE (%) <sup>(7)</sup>	19.77%	10.69%	11.64%	6.52%	14.00%	10.00%	7.27%	8.43%	6.29%	8.84%	9.11%	13.93%

**Notes:**<sup>(1)</sup>Revenue from operation means revenue from sales, service and other operating revenues<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income<sup>(3)</sup>'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses<sup>(5)</sup>'PAT Margin' is calculated as PAT for the year divided by revenue from operations.<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as total equity and long term/short term debt.



## 8. Weighted average cost of acquisition

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

The details of the Equity Shares, other than Equity Shares issued pursuant to a bonus issue on March 22, 2023 during the 18 months preceding the date of this Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days ("Primary Issuance") are as follows:

Date of Allotment	Name of Allottees	Number of shares transacted	Issue price per Share (₹)	Nature of Allotment	Nature of Consideration	Total Consideration (₹ In Lakhs)
June 15, 2023	Prashant Jitendra Dholakia	3,30,000	10/-	Right Issue	Cash	33.00
	Rohit Jitendra Dholakia	3,30,000				33.00
	Jagruti Rohit Dholakia	1,70,000				17.00
	Purvi Prashant Dholakia	1,70,000				17.00

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

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

### Weighted average cost of acquisition & Issue price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Issue price (i.e. ₹ 80)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	10	8 times
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA <sup>^</sup>	NA <sup>^</sup>

Note:

<sup>^</sup> There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Prospectus.

The Issue Price of 80/- has been determined by our Company in consultation with the LM and will be justified by us in consultation with the LM on the basis of the above information. Investors should read the abovementioned information along with "Our Business", "Risk Factors" and "Restated Financial Statements" on pages 87, 22 and 129 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

**STATEMENT OF SPECIAL TAX BENEFITS**

To,  
The Board of Directors,  
**Kahan Packaging Limited**  
212, Jhalawar Service Premises, E S Patanwalla Compound,  
LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.

**Sub: Statement of Special Tax Benefits (“The Statement”) available to Kahan Packaging Limited (“The Company”) and its shareholders prepared in accordance with the requirement in Schedule VIII- Clause (VII)(L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“The Regulation”)**

**Dear Sirs/ Madam,**

We hereby report that the enclosed annexure prepared by the management of Kahan Packaging Limited, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”) 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 business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein 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 is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares (“the Issue”) by the Company.

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

- a) The Company or its shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been/would be met.

The contents of the enclosed statement 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.

**Limitations:**

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, 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. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

**For, R K Jagetiya & Co.**

Chartered Accountant

**FRN:** 146264W

Sd/-

**Ravi K Jagetiya**

Proprietor

M. No. 134691

Place: Mumbai

Date: June 20, 2023

**UDIN:** 23134691BGWLPD6923

## **ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS**

The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force 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 Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

### **A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY:**

**Under the Income Tax Act, 1961 (“the Act”)**

#### **Special tax benefits available to the Company**

- The Company is not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

### **B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDERS:**

- The Shareholders of the Company are not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

#### **NOTES:**

1. The above Annexure of special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Annexure covers only the special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
3. The above Annexure of special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
5. A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (‘the Amendment Act, 2019’) with effect from Financial Year 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives. The option under section 115BAA of the Act once exercised cannot be subsequently withdrawn for any future financial year. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (‘MAT’) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

In such a case, the Company is not allowed to claim any of the following deductions/ exemptions under the Act: -

- ✓ Deduction under the provisions of Section 10AA.
- ✓ Deduction under clause (iia) of sub-section (1) of Section 32 (additional depreciation).
- ✓ Deduction under section 32AD or Section 33AB or Section 33ABA
- ✓ Deduction under section 35AD or Section 35CCC
- ✓ Deduction under section 80G

Lower corporate tax rate under Section 115BAA of the Act and Minimum Alternate Tax (‘MAT’) credit under section 115JAA of the Act which are in general available and hence may not be treated as special tax benefits.

The Company has evaluated and decided not to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2019-20 to Financial Year 2022-23, however, the same option to exercise is available for Financial Year 2023-24.

6. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
7. 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 changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

### **GLOBAL ECONOMIC OVERVIEW**

In general, global economic shocks in the past were severe but spaced out in time. This changed in the third decade of this millennium. At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronized policy rate hikes to curb inflation. The rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most currencies. This led to the widening of the Current Account Deficits (CAD) and increased inflationary pressures in net importing economies. The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023 by the IMF in its October 2022 update of the World Economic Outlook. The frailties of the Chinese economy further contributed to weakening the growth forecasts. Slowing global growth apart from monetary tightening may also lead to a financial contagion emanating from the advanced economies where the debt of the non-financial sector has risen the most since the global financial crisis. With inflation persisting in the advanced economies and the central banks hinting at further rate hikes, downside risks to the global economic outlook appear elevated.

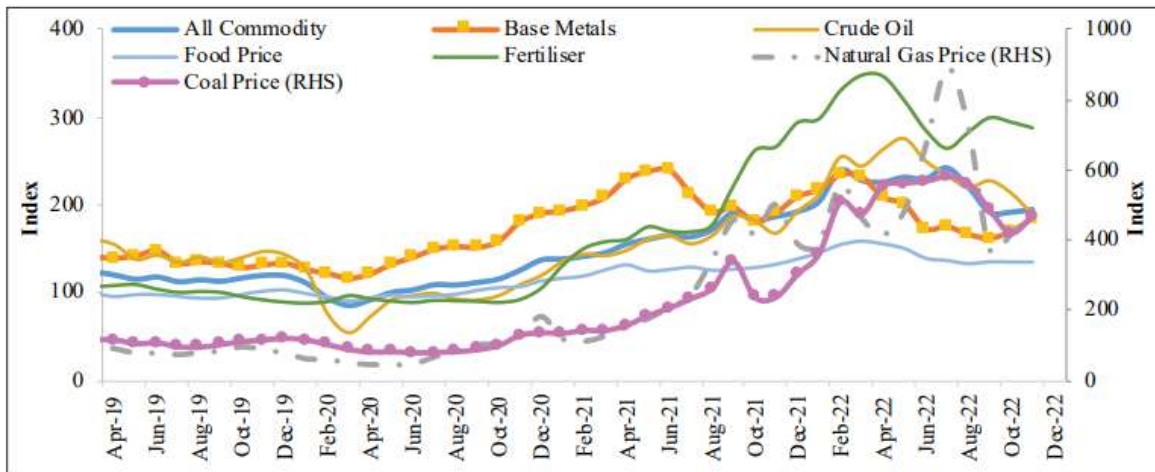
#### **The global economy battles through a unique set of challenges:**

In the last century, several events can be recollected that have had an adverse impact on the global economy. The two world wars are still vivid in public memory, along with the Spanish flu and the great depression. Regional conflicts have been several, as also intermittent oil shocks. The previous millennium closed with the East Asian crisis, and the new millennium in its first decade opened with the technology bust, followed several years later by the global financial crisis. The second decade, apart from minor episodes of the taper tantrum and growing trade tensions between the super-powers, had gone relatively incident-free globally, although Europe had its moments of stress during the decade. Before the third decade of the new millennium commenced, incidents of global economic turbulence were generally spaced out, allowing economies breathing time to recover before preparing for the next challenge.

The Covid-19 pandemic ('pandemic' hereinafter) notified by the WHO in January 2020 was the first challenge of the third decade that hit global growth. Two years later, as the global economy was recovering from the pandemic-induced output contraction, the Russia-Ukraine conflict broke out in February 2022, triggering a swing in commodity prices and, thus, accelerating existing inflationary pressures. This posed the second challenge. Soon after, the third challenge emerged when nations undertook monetary tightening to rein in inflation causing growth to weaken. Monetary tightening also drove capital flows to safe-haven US markets, contributed to rising sovereign bond yields, and depreciation of most currencies against the US dollar. The consequent increase in borrowing costs also stressed high levels of public and private debt, threatening the financial system. Faced with the prospects of global stagflation, nations, feeling compelled to protect their respective economic space, slowed cross-border trade, which posed the fourth challenge to growth. All along, the fifth challenge was festering as China experienced a considerable slowdown induced by its policies. The sixth medium-term challenge to growth was seen in the scarring from the pandemic brought in by the loss of education and income earning opportunities. A simultaneous occurrence of several challenges to growth is perhaps unprecedented. Like the rest of the world, India, too, faced this extraordinary set of challenges but withstood them better than most economies.

Global economic recovery was well on track until the Russia-Ukraine conflict broke out in February 2022. The conflict has now continued for almost a year, disrupting the restoration of the supply chains disrupted earlier by lockdowns and limited trade traffic. In the last eleven months, the world economy has faced almost as many disruptions as caused by the pandemic 4 Economic Survey 2022-23 in two years. The conflict caused the prices of critical commodities such as crude oil, natural gas, fertilizers, and wheat to soar. This strengthened the inflationary pressures that the global economic recovery had triggered, backed by massive fiscal stimuli and ultra-accommodative monetary policies undertaken to limit the output contraction in 2020. Inflation in Advanced Economies (AEs), which accounted for most of the global fiscal expansion and monetary easing, breached historical highs. Rising commodity prices also led to higher inflation in the Emerging Market Economies (EMEs), which otherwise were in the lower inflation zone by virtue of their governments undertaking a calibrated fiscal stimulus to address output contraction in 2020.

**Figure I.1: Sharp rise in commodity prices due to the Russia-Ukraine conflict; prices yet to reach pre-conflict levels**



Central banks, which were slow to react to price pressures building up during the nascent recovery from the pandemic, regarded them as transient only to realize, belatedly, the necessity and the inevitability of a strong monetary policy response. Led by the US Federal Reserve, central banks have been hiking policy rates and rolling back liquidity to rein in inflation synchronously. The pace of this tightening cycle has been rapid – the Federal Reserve’s pace of rate hikes is the quickest since the inflationary episode of the 1970s, with the central bank having raised interest rates by 425 basis points since March 2022. As the impact of monetary policy actions is felt with a lag, inflation rates remained stubbornly high during the early phase of the rate hike cycle but have begun to decline lately. At the same time, synchronized rate hikes by the central banks have not tightened financial conditions sufficiently enough for central banks to end their tightening campaign.

Inflation and monetary tightening led to a hardening of bond yields across economies and resulted in an outflow of equity capital from most of the economies around the world into the traditionally safe-haven market of the US. Unlike the past when the capital flight was more out of the EMEs given their relatively greater vulnerabilities, or the perception thereof, this time around, capital has also flown out from the advanced economies. The capital flight subsequently led to the strengthening of the US Dollar against other currencies – the US Dollar index strengthened by 16.1 per cent between January and September 2022. The consequent depreciation of other currencies has been widening the CAD and increasing inflationary pressures in the net importing economies

Rising inflation and monetary tightening led to a slowdown in global output beginning in the second half of 2022. The global PMI composite index has been in the contractionary zone since August 2022, while the yearly growth rates of global trade, retail sales, and industrial production have significantly declined in the second half of 2022. The consequent dampening of the global economic outlook, also compounded by expectations of a further increase in borrowing costs, was reflected in the lowering of growth forecasts by the IMF in its October 2022 update of the World Economic Outlook (WEO)

Compounding the bleak global growth outlook have been the slowdown in economic activity in China caused by the government’s zero Covid policy, a contracting real estate sector, and a tepid fiscal expansion. However, China has ended or relaxed most of its restrictive policies relating to Covid. It is possible that economic activity picks up in China sooner than expected. But it is too soon to tell.

Further tightening of monetary policy may aggravate fragilities built up in the financial system over the years, such as private and government debt structures, the effects of which could trigger financial contagion. Non-financial sector debt of most economies has increased considerably as a percentage of GDP since Q1 of 2008 when the global financial crisis struck. India is, however, one of the few countries whose debt burden has declined over this period, mainly because of the country’s banking sector balance sheet clean-up and the corporate sector’s deleveraging exercise undertaken during the last decade. Yet, an increase in the general government debt burden in India has attracted much attention, even as systemic risks of a financial breakdown are concentrated in other parts of the world.

<https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>

## **INDIAN ECONOMY OVERVIEW**

India to witness GDP growth of 6.0 per cent to 6.8 per cent in 2023-24, depending on the trajectory of economic and political developments globally.

The optimistic growth forecasts stem from a number of positives like the rebound of private consumption given a boost to production activity, higher Capital Expenditure (Capex), near-universal vaccination coverage enabling people to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, as well as the return of migrant workers to cities to work in construction sites leading to a significant decline in housing market inventory, the strengthening of the balance sheets of the Corporates, a well-capitalized public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector to name the major ones.

The Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman tabled the Economic Survey 2022-23 in Parliament today, which projects a baseline GDP growth of 6.5 per cent in real terms in FY24. The projection is broadly comparable to the estimates provided by multilateral agencies such as the World Bank, the IMF, and the ADB and by RBI, domestically.

It says, growth is expected to be brisk in FY24 as a vigorous credit disbursement, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output.

The Survey says, in real terms, the economy is expected to grow at 7 per cent for the year ending March 2023. This follows an 8.7 per cent growth in the previous financial year.

Despite the three shocks of COVID-19, Russian-Ukraine conflict and the Central Banks across economies led by Federal Reserve responding with synchronized policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23.

According to Survey, India's economic growth in FY23 has been principally led by private consumption and capital formation and they have helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Moreover, World's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Still, private capex soon needs to take up the leadership role to put job creation on a fast track.

It also points out that the upside to India's growth outlook arises from (i) limited health and economic fallout for the rest of the world from the current surge in Covid-19 infections in China and, therefore, continued normalization of supply chains; (ii) inflationary impulses from the reopening of China's economy turning out to be neither significant nor persistent; (iii) recessionary tendencies in major Advanced Economies (AEs) triggering a cessation of monetary tightening and a return of capital flows to India amidst a stable domestic inflation rate below 6 per cent; and (iv) this leading to an improvement in animal spirits and providing further impetus to private sector investment.

The Survey says, the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government. It adds that the recovery of MSMEs is proceeding apace, as is evident in the amounts of Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECLGS) is easing their debt servicing concerns.

Apart from this, increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets, where yields have increased, and external commercial borrowings, where interest and hedging costs have increased, towards banks. If inflation declines in FY24 and if real cost of credit does not rise, then credit growth is likely to be brisk in FY24.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate.

Dwelling on halt in construction activities during the Pandemic, the Survey underscores that vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

It also says that the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been directly providing jobs in rural areas and indirectly creating opportunities for rural households to diversify their sources of income generation. Schemes like PM-Kisan and PM Garib Kalyan Yojana have helped in ensuring food security in the country, and their impact was also endorsed by the United Nations Development Programme (UNDP). The results of the National Family Health Survey (NFHS) also show improvement in rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment.

The Survey notes with optimism that Indian economy appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022.

It, however, cautions that the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year.

Therefore, the Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand, and to a lesser extent, by exports. It also adds that the CAD needs to be closely monitored as the growth momentum of the current year spills over into the next.

The Survey brings to the fore an interesting fact that in general, global economic shocks in the past were severe but spaced out in time, but this changed in the third decade of this millennium, as at least three shocks have hit the global economy since 2020.

It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronized policy rate hikes to curb inflation. The rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most currencies. This led to the widening of the Current Account Deficits (CAD) and increased inflationary pressures in net importing economies.

The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023 by the IMF in its October 2022 update of the World Economic Outlook. The frailties of the Chinese economy further contributed to weakening the growth forecasts. Slowing global growth apart from monetary tightening may also lead to a financial contagion emanating from the advanced economies where the debt of the non-financial sector has risen the most since the global financial crisis. With inflation persisting in the advanced economies and the central banks hinting at further rate hikes, downside risks to the global economic outlook appear elevated.

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

The Survey points out that factors like monetary tightening by the RBI, the widening of the CAD, and the plateauing growth of exports have essentially been the outcome of geopolitical strife in Europe. As these developments posed downside risks to the growth of the Indian economy in FY23, many agencies worldwide have been revising their growth forecast of the Indian economy downwards. These forecasts, including the advance estimates released by the NSO, now broadly lie in the range of 6.5-7.0 per cent.

Despite the downward revision, the growth estimate for FY23 is higher than for almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic.

IMF estimates India to be one of the top two fast-growing significant economies in 2022. Despite strong global headwinds and tighter domestic monetary policy, if India is still expected to grow between 6.5 and 7.0 per cent, and that too without the advantage of a base effect, it is a reflection of India's underlying economic resilience; of its ability to recoup, renew and re-energize the growth drivers of



the economy. India's economic resilience can be seen in the domestic stimulus to growth seamlessly replacing the external stimuli. The growth of exports may have moderated in the second half of FY23. However, their surge in FY22 and the first half of FY23 induced a shift in the gears of the production processes from mild acceleration to cruise mode.

Manufacturing and investment activities consequently gained traction. By the time the growth of exports moderated, the rebound in domestic consumption had sufficiently matured to take forward the growth of India's economy. Private Consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport, which registered sequential growth of 16 per cent in real terms in Q2 of FY23 compared to the previous quarter.

Although domestic consumption rebounded in many economies, the rebound in India was impressive for its scale. It contributed to a rise in domestic capacity utilization. Domestic private consumption remains buoyant in November 2022. Moreover, RBI's most recent survey of consumer confidence released in December 2022 pointed to improving sentiment with respect to current and prospective employment and income conditions.

The Survey also points to another recovery and adds that the "release of pent-up demand" was reflected in the housing market too as demand for housing loans picked up. Consequently, housing inventories have declined, prices are firming up, and construction of new dwellings is picking up pace and this has stimulated innumerable backward and forward linkages that the construction sector is known to carry. The universalization of vaccination coverage also has a significant role in lifting the housing market as, in its absence, the migrant workforce could not have returned to construct new dwellings.

Apart from housing, construction activity, in general, has significantly risen in FY23 as the much-enlarged capital budget (Capex) of the central government and its public sector enterprises is rapidly being deployed.

Going by the Capex multiplier estimated for the country, the economic output of the country is set to increase by at least four times the amount of Capex. States, in aggregate, are also performing well with their Capex plans. Like the central government, states also have a larger capital budget supported by the Centre's grant-in-aid for capital works and an interest-free loan repayable over 50 years.

Also, a capex thrust in the last two budgets of the Government of India was not an isolated initiative meant only to address the infrastructure gaps in the country. It was part of a strategic package aimed at crowding-in private investment into an economic landscape broadened by the vacation of non-strategic PSEs (disinvestment) and idling public sector assets.

Here, three developments support this firstly the significant increase in the Capex budget in FY23, as well as its high rate of spending, secondly direct tax revenue collections have been highly buoyant, and so have GST collections, which should ensure the full expending of the Capex budget within the budgeted fiscal deficit. The growth in revenue expenditure has also been limited to pave the way for higher growth in Capex and thirdly the pick-up in private sector investment since the January-March quarter of 2022. Evidence shows an increasing trend in announced projects and capex spending by the private players.

While an increase in export demand, rebound in consumption, and public capex have contributed to a recovery in the investment/manufacturing activities of the corporates, their stronger balance sheets have also played a big part equal measure to realizing their spending plans. As per the data on non-financial debt from the Bank for International Settlements, in the course of the last decade, Indian non-financial private sector debt and non-financial corporate debt as a share of GDP declined by nearly thirty percentage points.

The banking sector in India has also responded in equal measure to the demand for credit as the Year-on-Year growth in credit since the January-March quarter of 2022 has moved into double-digits and is rising across most sectors.

The finances of the public sector banks have seen a significant turnaround, with profits being booked at regular intervals and their Non-Performing Assets (NPAs) being fast-tracked for quicker resolution/liquidation by the Insolvency and Bankruptcy Board of India (IBBI). At the same time, the government has been providing adequate budgetary support for keeping the PSBs well-capitalized, ensuring that their Capital Risk-Weighted Adjusted Ratio (CRAR) remains comfortably above the threshold levels of adequacy. Nonetheless, financial strength has helped banks make up for lower debt financing provided by corporate bonds and External Commercial Borrowings (ECBs) so far in FY23. Rising yields on corporate bonds and higher interest/hedging costs on ECBs have made these instruments less attractive than the previous year.

RBI has projected headline inflation at 6.8 per cent in FY23, which is outside its target range. At the same time, it is not high enough to deter private consumption and also not so low as to weaken the inducement to invest.

## Macroeconomic and Growth Challenges in the Indian Economy

After the impact of the two waves of the pandemic seen in a significant GDP contraction in FY21, the quick recovery from the virus in third wave of Omicron contributed to minimizing the loss of economic output in the January-March quarter of 2022. Consequently, output in FY22 went past its pre-pandemic level in FY20, with the Indian economy staging a full recovery ahead of many nations. However, the conflict in Europe necessitated a revision in expectations for economic growth and inflation in FY23. The country's retail inflation had crept above the RBI's tolerance range in January 2022 and it remained above the target range for ten months before returning to below the upper end of the target range of 6 per cent in November 2022.

It says that the Global commodity prices may have eased but are still higher compared to pre-conflict levels and they have further widened the CAD, already enlarged by India's growth momentum. For FY23, India has sufficient forex reserves to finance the CAD and intervene in the forex market to manage volatility in the Indian rupee.

### Outlook: 2023-24

Dwelling on the Outlook for 2023-24, the Survey says, India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. It says that aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible and more importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially.

Budgeted capital expenditure rose 2.7 times in the last seven years, from FY16 to FY23, re-invigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance, the Survey added.

Global growth is forecasted to slow from 3.2 per cent in 2022 to 2.7 per cent in 2023 as per IMF's World Economic Outlook, October 2022. A slower growth in economic output coupled with increased uncertainty will dampen trade growth. This is seen in the lower forecast for growth in global trade by the World Trade Organization, from 3.5 per cent in 2022 to 1.0 per cent in 2023.

On the external front, risks to the current account balance stem from multiple sources. While commodity prices have retreated from record highs, they are still above pre-conflict levels. Strong domestic demand amidst high commodity prices will raise India's total import bill and contribute to unfavorable developments in the current account balance. These may be exacerbated by plateauing export growth on account of slackening global demand. Should the current account deficit widen further, the currency may come under depreciation pressure.

Entrenched inflation may prolong the tightening cycle, and therefore, borrowing costs may stay 'higher for longer'. In such a scenario, global economy may be characterized by low growth in FY24. However, the scenario of subdued global growth presents two silver linings – oil prices will stay low, and India's CAD will be better than currently projected. The overall external situation will remain manageable.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1894932>

## INDIAN MANUFACTURING SECTOR:

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub. With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

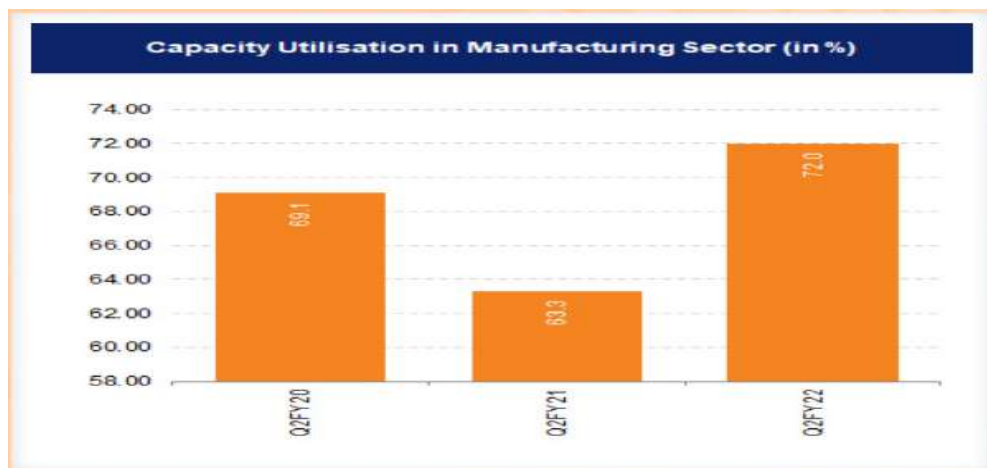
India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

#### Market Size:

India's manufacturing exports for FY22 reached an unprecedented US\$ 418 billion, an overall growth of more than 40% compared to the US\$ 290 billion from the previous year. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%.

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. The manufacturing GVA at current prices was estimated at US\$ 77.47 billion in the third quarter of FY22 and has contributed around 16.3% to the nominal GVA of during the past ten years. India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy. As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to 6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US\$ 7 billion in 2021 to US\$ 15 billion in 2025. As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY22, indicating significant recovery in the sector.



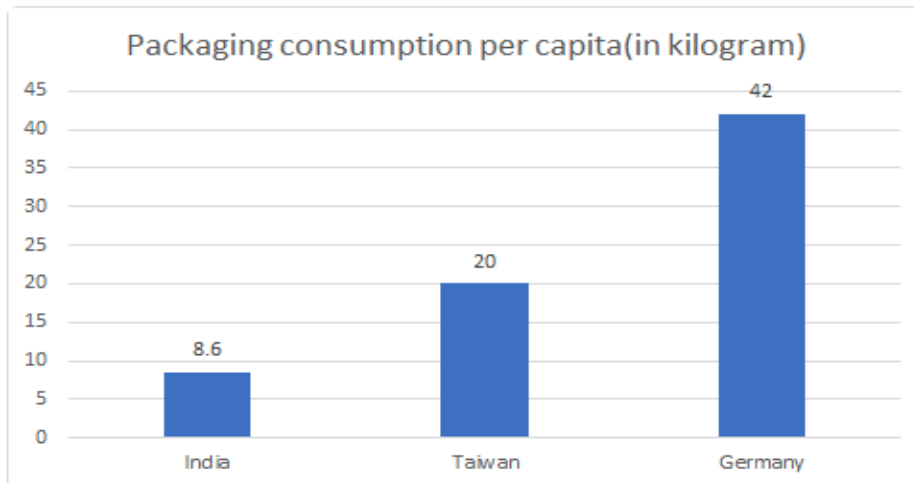
<https://www.ibef.org/industry/manufacturing-sector-india>

## INDIAN PACKAGING SECTOR – AN OUTLOOK OF THE INDUSTRY

“In coming years, the Indian packaging industry will see substantial growth. The increasing awareness regarding clean water, safe food, and pharmaceuticals along with adoption of next gen digital technologies will aggressively penetrate and drive the Indian packaging industry” - Thomas Schneider, President of the World Packaging Organization (WPO).

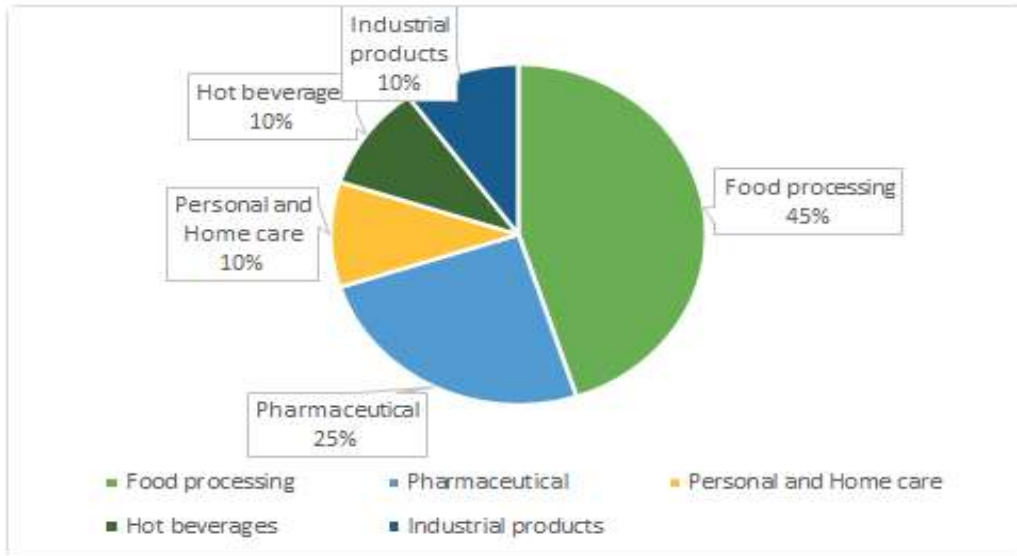
Globally, the packaging industry sector has positioned itself as one of the fastest growing industry across all countries. The industry is worth over \$ 917 billion (in 2019), growing at CAGR 2.8% to reach to \$ 1.05 trillion by 2024. Packaging is an emerging science, an emerging engineering discipline, and a successful contributor to major industries such as pharmaceutical, FMCG and electronics. Packaging is the world’s third largest industry following the food industry (1st) and energy (2nd) and the only industry that has to do with every single product produced in an economy.

In India’s case, packaging is the fifth largest sector in its economy and is one of the highest growth sectors in the country. According to the Packaging Industry Association of India (PIAI), the sector is growing at CAGR 22% to 25%. Over the last few years, packaging industry has been an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including agriculture and FMCG segments. According to the Indian Institute of Packaging (IIP), the packaging consumption in India has increased 200% in the past decade, rising from 4.3 kg per person per annum (pppa) to 8.6 kg pppa as on FY20. Even with this steep rise in the last decade, there is significant headroom for growth in this sector when compared to other developed regions across the globe as seen in the following graph.



Source: India's packaging consumption up 200 percent in a decade

This rise in consumption is driven by key aspects of the rising Indian economy namely, strong favourable demographics, increasing disposable income levels, rising consumer awareness and demand for processed food. The growth of individual end user segments of food, beverages, FMCG and pharmaceuticals will trickle down into rising demand of packaging solutions. The current consumption of packaging materials by end user industries is as follows:



Source: Opportunities in Indian packaging sector

#### PACKAGING INDUSTRY - A BRIEF BACKGROUND:

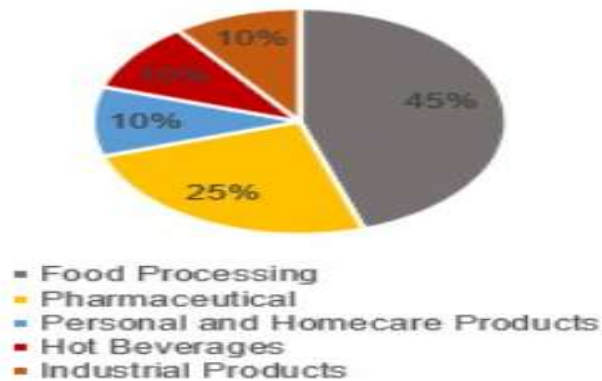
Packaging is an essential component of almost every product. A product's packaging acts as an 'eye catcher', allowing it to stand out from competing goods in today's market environment, which faces stiff competition, and therefore, an edge is required for the product to outshine its rival. Packaging is also instrumental in conveying the product's message to consumers and helps in establishing the visual appeal of a brand; hence, marketers view product packaging as the best possible opportunity to attract consumers to their product. Moreover, the product's packaging is designed to capitalize on the impulse shopping behavior, especially in large super market chains that account for a significant proportion of purchases made by an average consumer. The main functions of packaging besides marketing is to transmit information, protect the product, provide convenience and add security. Paper and paper products are a major source of materials used to package goods. Paper finds application in packaging due to the many environmental concerns arising from plastic usage. The capacity to recycle paper more than once, along with how simple it is to deal with it as a waste product, serves as an essential method of reducing pollution and costs to an extent.

#### Types of Packaging:

The packaging industry can be categorised into two segments: **Flexible and Rigid**.

- The rigid sector accounts for 36% of India's total packaging. Corrugated and paperboard boxes are an example of a rigid packaging category that are made using paper as a raw material. These boxes are considered to be one of the safest and most effective methods for packaging and transporting goods. The cellular structure of corrugated boxes, in addition to being lightweight, has great compressive strength, toughness and impact resistance. The procedure of lining, laminating or coating the boxes can assist them to withstand moisture and other harmful elements, protecting the quality and longevity of the product. The packaging of both industrial and consumer items requires corrugated board boxes. They are used for packaging a variety of commodities including textiles, fruits, vegetables, potteries, chemicals and pharmaceuticals.
- The flexible sector comprises 64% of the total packaging. The application of paper in flexible packaging is in the form of bags, sachets, envelopes and so on. The flexible pouch market, which enables small-quantity packaging, has gained momentum due to demand for small packs. Compared to other types of packaging, flexible paper packaging is less expensive, requires less material and is lighter in weight. Flexible paper packaging has become more popular as a result of its high efficiency and low cost. Flexible packaging is a crucial component of versatile packaging, which includes packaging for food and drink, personal care, home care and healthcare, among others.

## Packaging Materials and Machinery End Users (by share of volume)



### The Packaging Industry: Current Scenario in India

The paper and packaging sector in India is growing rapidly and has significant potential for future expansion. The industry was valued at \$50.5 billion in 2019 and is anticipated to reach \$204.81 billion by 2025, registering a CAGR of 26.7% from 2020 to 2025. The growth in the sector is being driven by a surge in e-commerce, food processing, pharmaceuticals, FMCG, manufacturing industry and healthcare sector. Additionally, numerous government initiatives including 'Make in India' had positive impact on the packaging industry. The paper and packaging industry is currently the fifth largest sector in the Indian economy and has the potential to achieve pricing levels that are about 40% cheaper compared to European regions.

The Indian packaging sector has distinguished itself with its exports of flattened cans, printed sheets and components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery. The packaging segment with the fastest growth include laminates and flexible packaging, particularly PET and weaved sacks.

India uses paper as a major source of packaging. The paper industry accounts for 5% of global production. Demand for paper continues to rise for the packaging of FMCG products and ready-to-eat food. Packaging-grade paper accounts for 55% of the main types of paper produced domestically in the paper and paperboard industry.

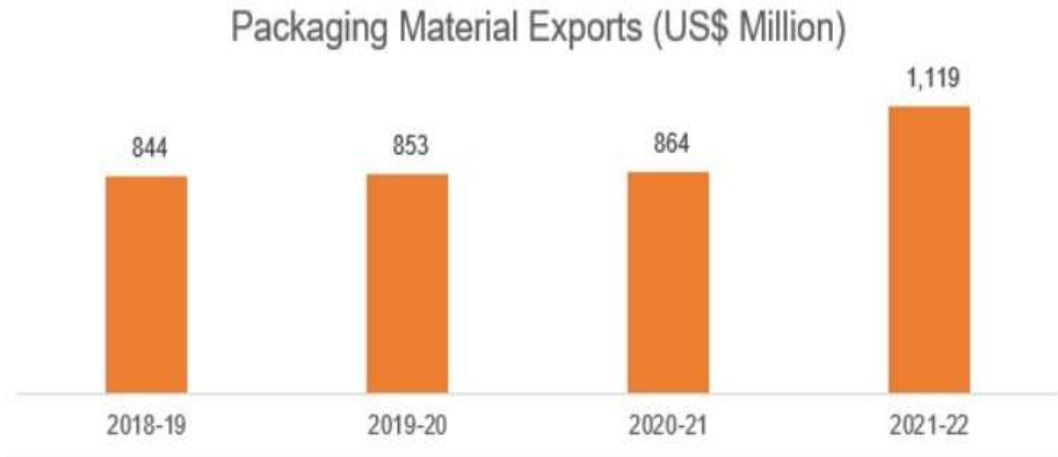
### Packaging: A vital bridge for adapting to change and staying relevant

Since the pandemic, companies have been tweaking their products, marketing strategies and service offerings to cater to the evolving needs of consumers – highlighting what matters most today – safety, immunity and health. Swiggy, for instance, introduced a double-layered packaging that keeps food safe and fresh. Similarly, Nature's Basket switched from cloth bags to single-use paper bags that can be disposed of immediately after use. Packaged food product companies are focussing on packaging materials that support longer shelf-life. A few others are updating their packing designs to include communication around appropriate sanitisation. A few months back, the world was busy shunning single-use plastics; however, consumers have re-adopted it for better hygiene. Irrespective of the strategy adopted by the company or consumer, each of that strategy boils down to an impact on packaging.

Packaging is now seen as a key bridge between consumers and brands to effectively communicate that hygiene is maintained, safety is prioritised and product or service quality is not being compromised. Packaging already had a pivotal role in consumer buying experience in the e-commerce world. And now, its impact has even grown bigger. This sector will continue to ride the e-commerce wave long into the future.

### Growing Exports of Packaging Material:

India is emerging as a key exporter of packaging materials in the global market. The export of packaging materials from India grew at a CAGR of 9.9% to US\$ 1,119 million in 2021-22 from US\$ 844 million in 2018-19. US remains the major export destination for the packaging industry, followed by the UK, the UAE, Netherlands, and Germany.



### **Sectors of Application:**

The packaging has applications in multiple sectors, two of which key sectors are:

- **Pharmaceutical:** India boasts of one of the world's largest pharmaceutical markets and therefore produces a huge quantity of plastic pharmaceutical packaging to cater to the needs of the fast growing sector. In the pharmaceutical industry, blister packs are one of the most popular types of packaging. Blister packs are used for tablets, ampoules, syringes and vials, and also used for individual packaging for medication doses while maintaining the integrity of other doses. Primary, secondary and tertiary packaging are the three tiers of packaging typically used in the pharmaceutical sector, and the type of application depends on the drug. The material that initially covers and holds the product is referred to as the primary packaging system. This includes all the package elements and sub-elements that come into contact with the product or that may have an impact on its duration of life, such as ampoules and vials, prefilled syringes, IV containers and blister packs. Key players in the pharmaceutical packaging include West Pharmaceuticals, Huhtamaki PPL Ltd and SGD Pharma India Ltd.
- **Food and Beverage Packaging:** India has seen a rise in the paper and packaging of food and beverage with an increase in demand, along with new companies in the food and beverage space. The entry and meteoric rise of food delivery service companies such as Zomato and Swiggy have led to growth in the consumption of packaging used for food and beverage. Zomato had even introduced tamper-proof packaging to keep the food safe and fresh. Food packaging has seen significant innovations that focus on highlighting the brand while maintaining the quality and standard of the food product contained within. There is intense competition among local manufacturers to produce cutting-edge products and stand up to MNCs that have a dedicated R&D department to test and eventually deploy the latest technologies. The major players in this space are Evirocor, Tetra Pak and Vinayak Ultra Flex.

### **Government Initiatives:**

- Set up guidelines and certain requirements for design and material of packaging used
- Promote the process of moving in bulk quantities
- Focus on promotion of centralized industrial activity by encouraging application of necessary and sophisticated infrastructure such as specialized logistic parks with appropriate facilities as well as packaging labs to work on designs and carry out tests
- Encourage processes to reduce packaging waste by establishing material recovery facilities (MRFs)
- Support domestic business to manufacture sophisticated packaging materials
- Develop training facilities and certified programmes of the highest order to maintain availability of skilled labour

### **Future Outlook:**

The Indian packaging sector is diverse and caters to a broad sector of industries and products. The government, through its positive promotion of the Make in India policy, has set the packaging sector to grow rapidly due to companies setting up their manufacturing units in the country and using these domestic facilities as a base to export to other countries. The government has implemented a strategy to lower tax rates for new manufacturing companies in order to turn India into a global manufacturing hub. Furthermore,

given the need for domestic firms to compete with MNCs, the government is planning to further level the sector among players by launching various initiatives with the aim of promoting the development of packaging, along with technological advancements.

<https://www.ibef.org/blogs/india-s-paper-and-packaging-industry>

## **POLYMER INDUSTRY IN INDIA-WOVEN FABRIC /POLYPROPYLENE(PP) / HIGH DENSITY POLYETHYLENE (HDPE)**

### **Introduction:**

Woven fabric is a textile formed by weaving. It is produced on a loom, and made of many threads woven on a warp and a weft. Woven polypropylene or simply woven PP bags are considered to be the toughest packaging bags, widely used to pack materials for grain, milling and sugar industry. PP oriented strips are becoming increasingly popular in India & have caught the eye of many end users for their requirement of packing materials. They have become popular on account of their inertness towards chemical, moisture & excellent resistance towards rotting & fungus attack. They are non-toxic. Lighter in weight & have more advantages than conventional bags.

### **Product Application and uses:**

HDPE/PP Woven bags ideally suitable for Building Materials, Cement, fertilizers, Urea, Potash, plastic, polymers, plastic pellets, etc. Food grains: Rice, Wheat, Pulses, Tea, Coffee, Beans, Peanuts, Sand, Sugar. Chemicals: Pigments, Dyestuffs, oxides, barytes, alumina, hydrates, ores, gypsum, feldspar, mica, Lime, limestone, Woven Packaging Fabrics, Woven bags and fabrics are often used as an industrial packaging material. The packaging bags and fabrics are available mostly in HDPE (High Density Polythene) and PP (Polypropylene).

Depending on end use these are either laminated, or supplied without lamination. These materials are valuable for applications in many different industries. Any entrepreneur venture into this field will be successful.

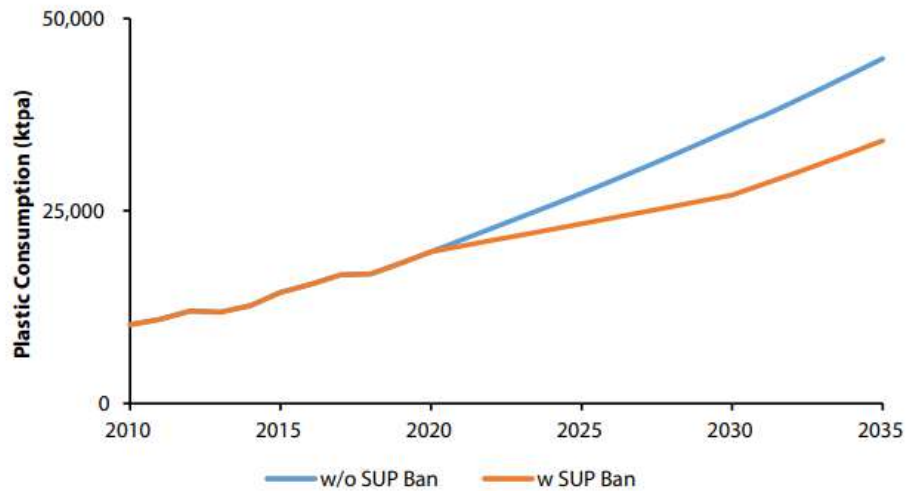
### **PP Woven Bag Market Analysis:**

At present there is underutilization of existing capacity due to marketing problems after introducing of Jute packaging Mandatory Order 1986. The demand for woven sacks is sluggish for a variety of reasons. A few years back Flat looms were used for the manufacture of woven sacks. Now it has been manufactured on circular looms, which have high productivity. This helped in minimizing the cost of production; however due to high cost of jute bags & also due to resistance to chemicals. Moisture etc. most of industry prefer HDPE/PP woven sacks for packaging. The polypropylene woven bags and sacks market to record a moderate 4.0% volume CAGR through the period of forecast, 2018 to 2028.

<https://www.kviconline.gov.in/pmegp/pmegpweb/docs/commonprojectprofile/PPwovenBagPlastic.pdf>

There are five major polymers [polyethylene terephthalate (PET), polyethylene (PE), polyvinyl chloride (PVC), PP, polystyrene (PS)] that are commonly used, particularly for consumer/ commodity packaging and non-packaging plastic products. Different combination of dyes and additives are added to these polymers to produce the desired color, shape, and texture in the final plastic product. PE, which is the most extensively consumed polymer, is made as high-density polyethylene (HDPE), low-density polyethylene (LDPE), and linear low-density polyethylene (LLDPE) in household items, such as plastic containers, bottles, bags, and plastic toys. In terms of consumption share of polymers for making different types of plastic products, estimates for 2020 suggest these to be as follows: PP (38%), LLDPE (11%), LDPE (2%), HDPE (14%), PVC (10%), PS (2%), PET (15%), and others that include other thermoplastics and thermoset plastics (10%). PP together with the three types of PE accounted for over 50% of India 's polymer consumption for plastic products in 2018–19. Using the relationship between GDP per capita and historical polymer consumption data, a business as usual (BAU) forecasts till 2035 for polymer consumption/demand across main polymer types is depicted below:





Plastic consumption/demand in scenarios without (w/o) and with (w) SUP (Single Use Plastic) bans, 2010-35

The BAU projections for the respective polymer sub-categories (Figure A) shows the expected variation in consumption of polymers till 2035, with the largest consumption continuing to come from PE and PP, which are the main polymers used for flexible packaging end use and constitute a significant part of (mismanaged) plastic waste. The BAU projections, however, would change once different circularity interventions are introduced through the use of policy measures. To illustrate, for a Single Use Plastic (SUP) ban, though national targets aim 2022, there is likely to be delay both to the implementation and enforcement. It may be more realistic to assume that the relevant policy reaches 100% efficacy by 2030. A breakup of the projection into the respective polymer sub-categories depicts significant increases in certain plastic polymer types over this period, with the largest consumption still coming from PP, PVC, HDPE, and LDPE.

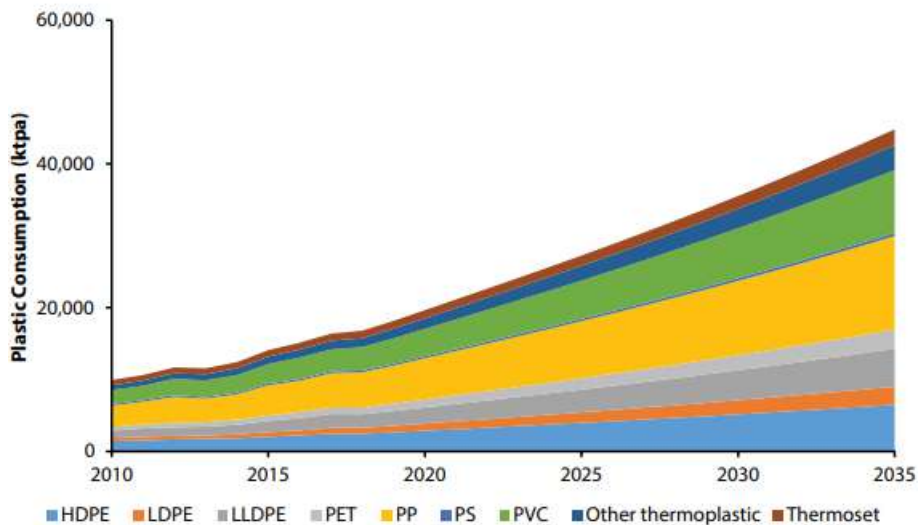


FIGURE A: Plastic consumption projection by plastic type, 2010–35

[https://www.teriin.org/sites/default/files/2021-03/Circular-Economy-Plastics-India-Roadmap\\_0.pdf](https://www.teriin.org/sites/default/files/2021-03/Circular-Economy-Plastics-India-Roadmap_0.pdf)

## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Kahan Packaging Limited.

All financial information included herein is based on our “Financial information of the Company” included on page 129 of this Prospectus.

### OVERVIEW

Our Company started its operations in the year 2016, since then has been in the business of manufacturing and supply of Polypropylene (PP)/ High Density Polyethylene (HDPE) Woven Fabric- Laminated, HDPE/PP woven sacks, Woven Fabric- Un-Laminated, PP Woven Bag, PP Woven Bag with Liner, Printed Laminates for Flexible Packaging, woven polymer based products of different weight, sizes and colors as per customer’s specifications. We offer customized bulk packaging solutions to business-to-business (“B2B”) manufacturers catering to different industries such as Agro Pesticides Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry.

HDPE/PP are two commonly used materials in the bulk packaging industry due to benefits which includes durability, lightweight, versatility, recyclability, chemical resistance, moisture resistance, cost-effective, high tear resistance which has lower carbon footprint during transportation due to its lightweight nature. Presently, the installed production capacity of Factory-I for woven fabrics is 2,600 m.t. p.a. which is located Asangaon, Maharashtra. Over the years, we have made investments, from time to time, in our manufacturing infrastructure to support our product portfolio requirements. Recently, our Company has expanded its business and set up new manufacturing unit and installed Multi color (up-to 8 Color) Roto Gravure Printing Machine for flexible packaging and printing process including polyester, Nylon, BOPP, Foil, low and high density polyethylene polypro plane and paper with two sided printing facilities with high speed hot air dryers with installed production capacity of 500 m.t. p.a.

All our products are manufactured in-house at our manufacturing units located amalgamated Inds Estate, Near Diamond Hotel, Mumbai- Nashik Highway, Asangaon, Tal. Shahpur, Dist. Thane - 421601, Maharashtra, which enables us to have an effective control over the manufacturing process, to ensure consistent quality of our products and minimizing production time and bringing cost effectiveness. The manufacturing units of our Company are constructed on well-developed land. Our manufacturing unit is strategically located at Thane providing us with strategic and operational advantages and has a modern technology and testing equipment’s with supporting environment and facilities, to ensure that the products conform to the pre-determined standards.

### Revenue Bifurcation (Product-wise):

The following table sets forth the contribution of each product type to our revenue from operations for the periods presented:

*Amt in lakhs*

Product Names	As of and for the year					
	FY 2022-23		FY 2021-22		FY 2020-21	
	Amount	%	Amount	%	Amount	%
PP Woven Fabric	1,699.45	97.01%	1483.92	93.45%	1117.35	92.21%
PP Woven Bag	17.12	0.98%	74.77	4.71%	67.71	5.59%
Scrap	21.47	1.23%	23.40	1.47%	16.98	1.40%
Others	13.75	0.78%	5.86	0.37%	9.74	0.80%
<b>Total</b>	<b>1,751.79</b>	<b>100.00%</b>	<b>1587.95</b>	<b>100.00%</b>	<b>1211.78</b>	<b>100.00%</b>

Our Company was founded by our promoters Prashant Jitendra Dholakia & Rohit Jitendra Dholakia with the overall experience of more than 25 years in the field of packaging industry and have knowledge of the products and industry in which our company operates. Our promoters are involved in the critical aspects of our business, including expansion, process and plant, finance, sales and marketing. We believe that the sector-specific experience and expertise of our promoters has contributed significantly in the growth of our Company.

**Some of our key performance indicators include:***(Rs. In Lakhs except percentages and ratios)*

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	1,751.79	1,587.95	1,211.78
EBITDA <sup>(2)</sup>	200.92	81.06	77.29
EBITDA Margin <sup>(3)</sup>	11.47%	5.10%	6.38%
Profit After Tax (PAT)	103.38	19.77	1.57
PAT Margin <sup>(4)</sup>	5.90%	1.25%	0.13%
Net Worth <sup>(5)</sup>	172.91	69.53	49.75
ROE <sup>(6)</sup>	85.28%	33.16%	3.20%
ROCE <sup>(7)</sup>	19.77%	10.69%	11.64%

**Notes:**<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the year divided by revenue from operations.<sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Shareholder Equity<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as total equity and long term/short term debt.**Our Competitive Strengths:**

We believe that we possess a number of competitive strengths, which enable us to successfully execute our business strategies, including the following:

***Wide Range of Products***

Our product portfolio includes Polypropylene (PP)/ High Density Polyethylene (HDPE) Woven Fabric- Laminated, HDPE/PP woven sacks, Woven Fabric- Un-Laminated, PP Woven Bag, PP Woven Bag with Liner, Printed Laminates for Flexible Packaging etc. We manufacture products based on the orders specifications received from of our customers to meet their requirements. We believe that maintaining a range of products in our business provides us with an opportunity to cater to diverse needs of different customer segment. Further, we believe that we have experience resources, and network that can be customized and leveraged to cater to wider range of bulk packaging containers as per requirements of the customers.

***In-house Manufacturing capabilities***

As on the date of this Prospectus, our manufacturing units at Plot No. 22 and 23, Amalgamated Inds Estate, Near Diamond Hotel, Mumbai- Nashik Highway, Asangaon, Tal. Shahpur, Dist. Thane-421601, India. Our factories have cumulative production capacity of 2600 m.t. p.a of PP woven Fabric. The in-house manufacturing operations enable us to stream line inventory management and production process resulting into maintenance of quality production standards, minimizing production time and bringing cost effectiveness. At present we are manufacturing the PP Woven Fabrics of different capacity at an average range of approximately 50%. The Company is enhancing product range as well as client base so the dependency on few customers for sale can be avoided.

***Strong relationship with customers and suppliers***

We focus on maintaining long term cordial business relationship with most of our 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.

We focus on building sustained and long term relationship with our suppliers. For manufacturing our products, we purchase raw materials such as PP Granules, Master Batch, BOPP Film, Ink, Reducer etc from suppliers like Aspire Polytrade Pvt Ltd, Ddev Plastiks Industries Limited, Harihar Corporation, Deep Polymers Ltd etc. in bulk quantities. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely

supplies of our raw materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.

***Experienced management team with industry expertise and successful track record***

We believe that the industry experience of our management team and their ability to deliver consistent sales growth are our significant strengths. Our Promoter Prashant Jitendra Dholakia has an experience of 25 years in the packaging industry – taking care of marketing & production area and Rohit Jitendra Dholakia has an experience of over 33 years in the packaging industry- taking care of administrative area. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner. For further details of our management team and our Key Managerial Personnel please refer the chapter titled “***Our Management***” beginning on page 111 of this Prospectus.

**Our Business Strategies**

***Expand our domestic presence in existing and new markets***

To expand our business, we intend to aggressively penetrate in the domestic markets by expanding our sales network. We intend to grow our business continuously by adding new customers. We generate major domestic sales from state of Maharashtra. For the financial year ended March 31, 2023 & March 31, 2022 we derived major portion of our revenue from the state of Maharashtra i.e. 98.82% and 98.33%, respectively. With the continuous growth in industries such as the agro Pesticides, Cement, Chemical, Fertilizer, Food Products and others, opportunities for growth in Packaging industries have increased and thus we aim to tap these markets for further marketing & supply.

***Expand our existing product portfolio***

We intend to diversify our product portfolio which could cater to customers across segments, sectors, and geographies. In accordance with this, we intend to further diversify into products with prospects for increased growth and profitability. Recently, our Company has expanded its business and set up new manufacturing unit and installed Multi color (up-to 8 Color) Roto Gravure Printing Machine for flexible packaging and printing process including polyester, Nylon, BOPP, Foil, low and high density polyethylene polypro plane and paper. Our Company foresees an increase in demand of its packaging products and in order to tap the growing market, we intend to utilize the Net Proceeds of this Issue to fund our working capital requirements. For further details, please refer to the chapter titled “Object of the Issue” at page 61 of this Prospectus Further, we believe that since the requirements of various sectors that our existing customers are currently servicing are continuously evolving, as a consequence of the same, there will be a continuous demand to evolve our existing products and expand our product portfolio to meet these requirements. We believe that our emphasis on quality of manufacture and timely delivery of our offerings have been a key factor in our ability to attract new customers and to retain our existing customers.

***Focus on consistently meeting quality standards***

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with them.

**OUR PRODUCTS**

Our company offer range of finest and the most demanded woven sacks as under:

**PP/HDPE Woven Fabric- Laminated:**

PP/HDPE woven fabric-laminated refers to a type of packaging material that combines woven polypropylene (PP) or high-density polyethylene (HDPE) fabric with a lamination layer. The lamination layer is typically made of a plastic film, such as polyethylene (PE) or polypropylene (PP), which is bonded to the woven fabric to provide additional strength, durability, and barrier properties. The lamination process involves applying the plastic film onto one or both sides of the woven fabric using heat and pressure. This creates a strong bond between the layers, enhancing the overall performance and characteristics of the material.

PP/HDPE woven fabric refers to a type of fabric made from weaving strips or threads of polypropylene (PP) or high-density polyethylene (HDPE) together. It is a versatile and durable material commonly used in various industries such as Agro Pesticides

Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry. These fabrics possess high tear resistance due to multiple layering onto one or both sides of the woven fabric using heat and pressure, which makes them strong, economical, and reliable packaging options for transporting commodities.

**PP/HDPE Woven Fabric- Unlaminated:**

A small portion of our production is for Un-Laminated PP/HDPE woven Fabrics also. Unlike Laminated fabrics these are made with a single layered structure perfect for meeting the demands of packaging, Sheltering and covering of Products. This fabric is created by weaving thin strips or threads of PP or HDPE together, forming a strong and durable material. It is suitable for making carrying bags and is highly demanded in the market for its superb finishing. To meet clients' individual demands, it is available in different thickness and colours.

**PP Woven Bag:**

Along with PP Woven Fabric (Laminated/Un-laminated), we have also started production of PP (polypropylene) woven bags on small scale. PP Woven Bags are produced by interweaving polypropylene tapes in two directions. They are known for their strength and durability. They are tough, breathable, cost effective bags, ideally suited for packaging agricultural products like grains, pulses, seeds and sugar, as well as products as diverse as sand, fodder, chemicals, cement, metal parts, etc.

**PP Woven Bag with Liner:**

PP Woven bags as stated above can be with or without Liner. PP woven bags with coating and liners are ideal for packaging of products that are at risk of leaking, from fine granules like sugar or flour to more hazardous materials like fertilizers or chemicals. Liners help protect the integrity of product by avoiding contamination from outside sources and reducing the release or absorption of humidity. The purpose of the liner is to provide an extra layer of protection and barrier against moisture, contaminants, or leakage. The outer layer of woven fabric offers strength and durability, while the liner enhances the bag's resistance to moisture and contamination.

**Printed Laminates for Flexible Packaging**

Recently our company has commenced the production of Flexible packaging, which are flexible in nature and can easily conform to the shape of the product being packaged. This type of packaging is typically made from materials such as plastic films, aluminum foil, paper, or a combination of these materials. Flexible packaging offers several advantages over traditional rigid packaging, including versatility, lightweight, cost-effectiveness, and enhanced product protection. It has gained popularity due to their sustainability benefits. Additionally, flexible packaging often has a lower carbon footprint during transportation due to its lightweight nature.

**DETAILS OF OUR BUSINESS:**

**LOCATIONS: -**

We currently operate from the following office and manufacturing units in Maharashtra:

**Registered Office:** 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.

**Factory-I:** Plot No 23, Survey No. 166-A, Hissa No. 1, Amalgamated Industrial Complex, Bombay Nasik Road, Nr. Diamond Retreat Hotel, Asangaon, Shahpur, Thane 421601, Maharashtra, India.

**Factory-II:** Plot No 22, Survey No. 166-A, Hissa No. 1, Amalgamated Industrial Complex, Bombay Nasik Road, Nr. Diamond Retreat Hotel, Asangaon, Shahpur, Thane 421601, Maharashtra, India.

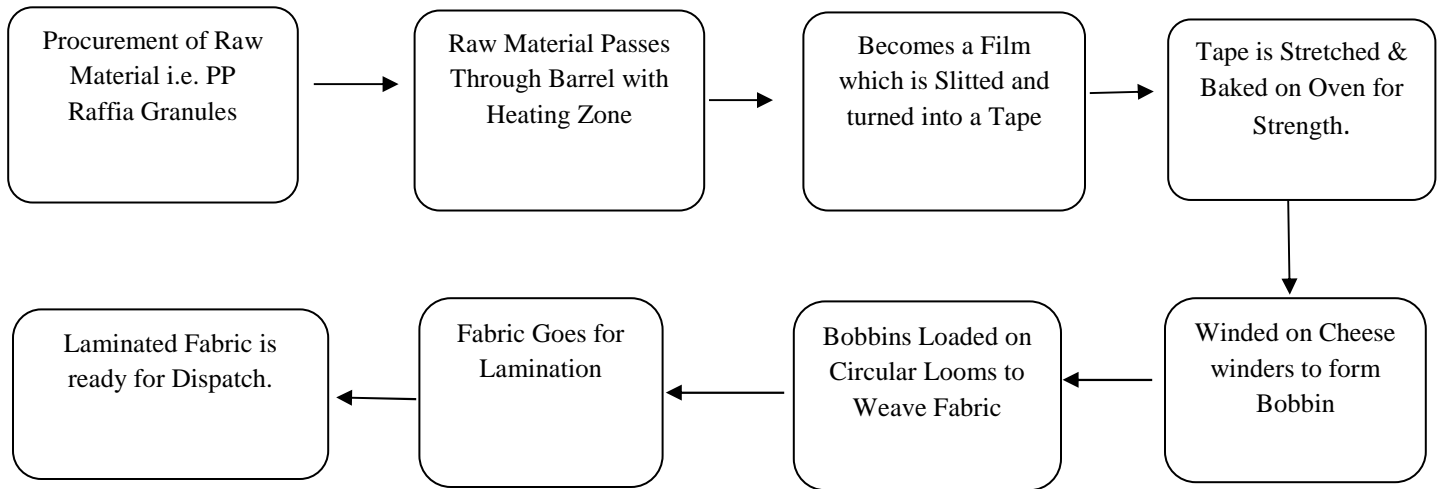
**MANUFACTURING FACILITY:**

We are manufacturing products with the help of machinery we have installed at our factories located at Asangaon-dist.- Thane-Maharashtra. Our plants, latest machinery and equipment, help us in maintaining quality standards as well as an efficient delivery record. Details of our plant and machinery is mentioned below:

Sr. No.	Name of Machine / Testing Equipment's	No. of Machine
1.	Tape Line Extruder with Cheese Winders	1
2.	Circular Looms-6 Shuttle	30
3.	Lamination Plant	1
4.	Printing Machine (6 colour Flexo)	1
5.	Rotogreveur Machine (8 colour Printing Machine) with speed of 200 MPM	1
6.	Stitching Machine	6
7.	Sheet Fed Flexo Printing Machine	1
8.	Gusseting Machine	1

**MANUFACTURING PROCESS:**

The production flow-chart from procurement of raw materials to finished products is mentioned below:



The manufacturing operations described through above diagram is explain as follows:

**Procuring of Raw Materials:** The primary raw materials PP Granules, Master Batch, Machine Oil, BOPP Film, Ink, Polythene Bags & Reducer. While selecting suppliers, we take into consideration their product quality, price, reliability, delivery time and credit terms. For regular and uninterrupted supply of raw materials, we have some regular suppliers from whom we source our major raw material requirement.

**Mixing of raw material:** After the procurement of Raw material, before the process of manufacturing starts, the mixing of raw materials is done and the proportion of raw material is decided by the supervision depending upon the specification of the customer. The mixed material passes through Barrel with heating zone.

**Tape Extrusion process:** The mixed raw material is transferred to tape extrusion machine wherein the raw material i.e. granules are melt and are converted into sheet or film form (generally white or milky white colour). This film is converted into a tape whose thickness and width depends on the requirement of the customers. If thin and less width tape is required, then accordingly the plates or the cutter in the machine is adjusted and the tape of required size is obtained. After it is converted into tape form, it is passed through different roller which forms the part of tape extrusion machine. After passing the tape from roller, this tape is then wind into different bobbins i.e. reels which is attached to a stand which is referred to as winders.



**Weaving or Circular loom process:** In this process, the tapes are pulled from bobbins with the help of weaving machines. The circular loom runs on a very high speed. The requirement of bobbins differs according to different shuttles and use of these shuttles depends on the type of fabric desired. These fabrics are in circular form and is then rolled on a big roller and such rolled fabric can either be directly put on to the cutting machine or be laminated as per requirement of customer.



**Lamination Process:** The main raw material required in this process is coating / lamination grade LDPE / LLPDE or PP. The fabric so produced can be laminated depending upon the requirement of customers. Our Company provides both, one side or two side laminations depending upon requirements of customers



**Cutting process:** The fabric is cut according to the dimensions required by the customer. Cutting of fabric can be done at the time of rolling it on the roller or after lamination process. In this process the fabric in the rolled form is passed through cutting machine and measurements for cutting the roll or the sheets are inserted in the machine and the output is fabric sheets which can be used either in the printing process or directly in stitching process.



**Printing process:**

Printing of graphics and its finishing makes the bag more attractive and demanding. Our Company has modern technology to print the graphics on the bags. If the bag is in rolled form, then printing can be done in the following manner: -

- a. Fabric roll is first placed on one side and sent into machine
- b. Requisite colour and graphics are entered in to the machine
- c. Printing is done on the roll and again on the other side it is wrapped in roll form.



**Stitching process:**

Currently, we have started stitching process also for which we have purchased stitching machine in FY 2023. Under this process the bags which are in the form of sheet or rolled form are stitched from bottom, sideways and also if required loops are attached which are normally referred as belts. These belts are made from special tapes. The belt is made with the help of needle loom, the fabric so processed is then used in the needle machine and rolls of belts are formed. These belt roll is used in the process of stitching. Further filler cords or liner are also attached to FIBC, based on customer requirements.

**Storage and Dispatch**

After the quality of products is tested and the testing department gives a final go ahead, the products are then dispatched with the help of fork lifters to a clean storage room. These fork lifters lift the packed goods which are loaded in the container for final dispatch.

**PRODUCTION CAPACITY AND CAPACITY UTILIZATION:**

As on the date of this Prospectus, we have two Factories at village Asangaon, Tal. Shahpur, Dist. Thane, Maharashtra, which has a cumulative production capacity of 2600 metric ton p.a. for manufacturing PP Woven Fabric. In Fiscals 2023, 2022 and 2021, our overall capacity utilization is detailed below:

Product Name	Particulars	Units	FY 2020-21	FY 2021-22	FY 2022-23	Existing Installed Capacity (p.a.)
PP Woven Fabrics	Installed Capacity	KG	26,00,000	26,00,000	26,00,000	26,00,000
	Actual Production	KG	12,98,650	11,44,909	12,95,017	
	Capacity Utilization (in %)		49.95%	44.03%	49.81%	

- (i) Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant fiscal year.
- (ii) The above information has been certified by M.J. Patil, Chartered Engineer, by certificate dated August 21, 2023.

**Infrastructure & Utilities:**

**Raw Materials:** The essential raw material used by our manufacturing facility for production of woven fabrics is PP Granules, Master Batch, BOPP Film, Ink, Polythene Bags & Reducer. We procure raw materials from the suppliers based in domestic market.

**Water Facility:** At our Registered Office, Factory-I & Factory-II, we require water only for general purposes for which we utilise water supply from local authorities to meet water requirements.

**Electricity and Power Setup:** Our manufacturing process requires uninterrupted supply of Electric & Power for our manufacturing facility. For the Fiscals 2023, 2022 and 2021 for our electricity and power expenses were Rs. 108.58 lakhs, Rs.93.86 lakhs and Rs. 85.80 lakhs respectively constituting 6.68%, 5.99% and 7.12% of total expense. We consume a substantial amount of power and fuel for our business operations. Our power requirements are met through state electricity boards.

**Logistics:** We transport finished products primarily by road to our customers. Our suppliers directly deliver raw materials to our factories. We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the customer and our Company.

**Manpower:** We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. We aim towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations. As on May 31, 2023, our Company has employed around 8 employees at various levels of the Organization.

In addition, we contract with third-party manpower for labours for our manufacturing factory-I & II. The number of contract labours varies from time to time based on the nature and extent of work.

**SALES AND MARKETING SETUP:**

Marketing is an important function of any organization and our company is no exception to it. Our success lies in the strength of our relationship with our clients who have been associated with our company since a long period of time. Our promoters Mr. Rohit Jitendra Dholakia and Mr. Prashant Jitendra Dholakia through their experience and good rapport with the clients owing to timely delivery of quality products play an instrumental role in creating and expanding the work platform for our company.

**COMPETITION:**

We compete with large organised companies as well as smaller regionally based competitors. Some of our competitors may have greater resources than those available to us. While product quality, brand value, timely delivery, customer network, etc. are key factors in customer decisions among competitors, however, price and quality are the deciding factor in most cases. Among listed companies of similar size and product portfolio in India, we face competition from Sah Polymers Limited, Rishi Techtex Limited, Uflex Limited etc.

**COLLABORATION:**

The company has so far not entered into any technical or financial collaboration agreement.

**INTELLECTUAL PROPERTY**

S. No.	Brand name/ Logo Trademark/ Wordmark	Class	TM Category	Owner	Trademark Number/Application No./Registration Certificate Number	Issuing Authority	Date of Application	Status
1.	KAHAN	24	Trade Mark	Kahan Packaging Limited	<b>Application No.:</b> 5986982	Registrar of Trademark	20/06/2023	Formalities Chk Pass

**EXPORT OBLIGATIONS:**

As on the date of filing this Prospectus, our company does not have any pending export obligations.

**PROPERTIES:**

Sr. No.	Address of Properties	Usage	Owned/Leased/Rent
1	212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.	Registered Office	The said property has been obtained on rent of Rs. 20,000 per month, from Purvi Prashant Dholakia vide rent agreement dated March 19, 2023
2	Plot No 23, Survey No. 166-A, Hissa No. 1, Amalgamated Industrial Complex, Bombay Nasik Road, Nr. Diamond Retreat Hotel, Asangaon, Shahpur, Thane 421601, Maharashtra, India.	Factory-I	Owned
3	Plot No 22, Survey No. 166-A, Hissa No. 1, Amalgamated Industrial Complex, Bombay Nasik Road, Nr. Diamond Retreat Hotel, Asangaon, Shahpur, Thane 421601, Maharashtra, India.	Factory-II	The said property has been obtained on rent of Rs. 80,000 per month, from Teknika Engineering Company Pvt Ltd vide rent agreement dated April 24, 2023.

**INSURANCE POLICIES:**

Our business is subject to loss due to theft or occurrence of any unforeseen event such as fire, earthquake, other natural calamities, terrorism and force majeure events. We have taken New India Bharat Sookshma Udyam Suraksha Policy which cover insurance of factory building, Stock & Plant & Machinery from such unexpected events. We believe that our insurance coverage is adequate for our business needs and operations. Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on “**Risk Factors**” beginning on page 22 of this Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*Except as otherwise specified in this Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a few central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local byelaws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of manufacturing and supply of Polypropylene (PP)/ High Density Polyethylene (HDPE) Bags, HDPE/PP woven sacks, woven polymer based products of different weight, sizes and colours as per customer's specifications. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled "Government and Other Approvals" beginning on page 176 of this Prospectus. The regulations set out below may not be exhaustive and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.*

### **INDUSTRY SPECIFIC REGULATIONS**

#### **The Factories Act, 1948**

The Factories Act defines a 'factory' to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions.

#### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 ("L.M. Act") governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the

L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard. State of Maharashtra has prescribed the Maharashtra Legal Metrology (Enforcement) Rules, 2011 for due compliance.

#### **Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodities Rules")**

The Packaged Commodities Rules lay down specific provisions applicable to packages intended for retail sale, whole sale and for export and import and also regulate pre-packaged commodities in India, inter alia by mandating certain labelling requirements prior to sale of such commodities. Legal Metrology (Packaged Commodities) (Amendment) Rules ("Packaged Commodity Amendment Rules") issued on June 23, 2017 have introduced important amendments to the Packaged Commodity Rules, especially in relation to e-commerce entities. The Packaged Commodity Amendment Rules came into force from January 1, 2018. The key provisions of the Packaged Commodity Amendment Rules are regarding the size of declarations on the label, declaration on e-commerce platforms, declaration of name and address of the manufacturer and fine for contravention.

### **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.

### **Prevention of Black Marketing and Maintenance of Supplies Act, 1980**

To make matters worse, in 1980 came the "Prevention of Black Marketing and Maintenance of Supplies Act." 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".

### **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

#### **Maharashtra Industrial Policy 2019**

The Maharashtra Industrial Policy, 2019 (the “Industrial Policy”) envisages making Maharashtra USD 1 Trillion economy in the country, by augmenting manufacturing ecosystem, complemented by ease of doing business initiatives, thereby evolving it into a preferred destination for global manufacturers and investors, resulting into largest employment creating state with balanced regional and inclusive growth, by 2025. In the Industrial Policy, the target has been to attain manufacturing sector growth rate of 12% to 13% to reach GSDP share of 25% by 2023-24; to attract investments worth INR 10 lakh crore by 2023-24 and to create employment opportunities for 40 lakh people by 2023-24.

Some of the objectives and strategies of the policy includes retaining leadership position in industrial investment by providing conducive business environment, creating land bank for industries through MIDC, promoting investments through sector specific promotion/policies with focus on identified thrust sectors, incentivizing investments in R&D and startups, facilitating ‘Ease of Doing Business’ initiatives and strengthening Maharashtra’s Single Window System i.e. MAITRI - an online portal, making a single point for delivery of services, setting up of State level councils for promotion of investments and exports etc.

#### **Bombay Shops and Establishments Act, 1948**

The provisions of Bombay Shops and Establishments Act, 1948 regulates the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

#### **Bombay Stamp Act, 1958 (“Stamp Act”)**

The purpose of Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act.

#### **Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains invocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

### **Maharashtra Factories Rules, 1963 (the “Factories Rules”)**

The Factories Rules were notified by State of Maharashtra within the framework of Factories Act, 1948 which is a social legislation that has been enacted for occupational safety, health, and welfare of workers at workplace. As per the Factories Rules an application for obtaining prior permission for the site on which the factory is to be situated and for the construction or extension of a factory shall be made to the Chief Inspector of Factories which shall grant the license with terms and conditions after being satisfied that there is no objection to the same.

### **LABOUR LAWS**

#### **The Employees State Insurance Act, 1948 (“ESI Act”)**

The “ESI Act”, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

#### **The Payment of Gratuity Act, 1972 (“Gratuity Act”)**

The “Gratuity Act” establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs.1 million.

#### **The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“EPF Act”)**

The “EPF Act” applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

#### **Workmen’s Compensation Act, 1923**

The employment of workers for the Company’s business is regulated by various labour laws, rules and regulations including the Workmen Compensation Act, 1923. The Workmen Compensation Act, 1923 lays down for liability for compensation by an employer if a personal injury is caused to any workman during the course of his/her employment. Further, the Act provides for amount of compensation which the employer is obligated to pay in case of any injury where death, disablement is caused during the course of employment.

#### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

#### **Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex. It states that no employer shall pay to any worker, employed by him in an establishment or employment, remuneration, whether payable in cash or in kind, at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment or employment for performing the same work or work of a similar nature.

### **Minimum Wages Act, 1948 (“MWA Act”)**

The Minimum Wages Act, 1948 gives power to appropriate government (Central or State) to fix minimum wages to be paid to the persons employed in scheduled or non-scheduled employment and the concerned employer is required to pay the minimum wages, fixed by the appropriate government. Such employer is also required to maintain registers and exhibits giving the particulars of wages paid to employees.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes.

### **Maternity Benefit Act, 1961**

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its Residential Status and-Type of Income involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax like are also required to be complied by every Company.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

### **Goods and Service Tax Act, 2017 (GST)**

The Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”), relevant state’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017

("UTGST"), Integrated Goods and Services Act, 2017 ("IGST"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

### **Central Excise Act, 1944**

Excise duty is levied on production of goods but the liability of excise duty arises only on removal of goods from the place of storage, i.e., factory or warehouse. Unless specifically exempted, excise duty is levied even if the duty was paid on the raw material used in production.

### **Customs Regulations**

All imports into India are subject to duties under the Customs Act, 1962 at the rates specified under the Customs Tariff Act, 1975. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

## **ENVIRONMENTAL LAWS**

### **National Environmental Policy, 2006**

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

### **Plastic Waste Management (PWM) Rules, 2016, India**

The government of India, through the Ministry of Environment, Forest and Climate Change notified the new Plastic Waste Management Rules, 2016 (through a Gazette notification dated 18 March 2016). This supersedes the Plastic Waste (Management and Handling) Rules, 2011 that governed such activities earlier. This provides the framework for how plastic waste generators, local bodies, manufacturers, importers etc., to manage plastic waste.

### **Environment (Protection) Act, 1986 as amended ("EPA")**

EPA provides for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 as amended ("Hazardous Wastes Rules")**

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The Environmental Impact Assessment Notification dated September 14, 2006 read with various notifications issued from time to time under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior environmental clearance of the Ministry of Environment, Forest and Climate Change which impacts the environment in any manner.

### **Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")**

Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc.

The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

#### **Water (Prevention and Control of Pollution) Act, 1974**

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) Outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding Pollution Control Boards in the state.

#### **Water (Prevention and Control of Pollution) Cess Act, 1971**

The Water (Prevention and Control of Pollution) Cess Act, 1971 provides for the levy and collection of cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

#### **Air (Prevention and Control of Pollution) Act, 1981, as amended (the “Air Act”)**

With a view to ensuring that the standards for emission of air pollutants are complied with, the State Government shall, in consultation with the State Board, give such instructions as may be deemed necessary to the concerned authority and such authority shall, notwithstanding anything contained in that Act or the rules made thereunder be bound to comply with such instructions.

#### **The Public Liability Insurance Act, 1991**

Public Liability Insurance Act, 1991 provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. It is the duty of the owner to take out one or more insurance policies providing for contracts of insurance whereby he is insured against liability to give relief.

#### **FDI POLICY**

#### **Foreign Trade (Development and Regulation) Act, 1992**

Foreign Trade Act empowers the Government of India to, among other things, (a) make provisions for development and regulation of foreign trade; (b) prohibit, restrict or otherwise regulate exports and imports; (c) formulate an EXIM policy; and (d) appoint a Director General of Foreign Trade for the purpose of administering foreign trade and advising the Central Government in formulating EXIM policy and implementing the same. Every importer and exporter is required to obtain an ‘Importer Exporter Code’ from the Director General of Foreign Trade or from any other duly authorized officer.

#### **Foreign Trade Policy**

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for all exports and imports made shall be governed by the Foreign Trade Policy, unless otherwise specified. FTP provides for handbook of procedures laying down the procedure to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, the Rules and the Orders made there under and provisions of FTP.

#### **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”), as amended from time to time to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services



## **IMPORTANT GENERAL LAWS**

### **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as:

- (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹ 25,00,000/- (Rupees Twenty- Five Lakhs Only);
  - (ii) a small enterprise, where the investment in plant and machinery is more than ₹ 25,00,000/- (Rupees Twenty -Five Lakh Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only); or
  - (iii) a medium enterprise, where the investment in plant and machinery is more than ₹ 5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000/- (Rupees Ten Crores Only).
- In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as:
- (i) a micro enterprise, where the investment in equipment does not exceed ₹ 10,00,000/- (Rupees Ten Lakhs Only);
  - (ii) a small enterprise, where the investment in equipment is more than ₹ 10,00,000/- (Rupees Ten Lakhs Only) but does not exceed ₹ 2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹ 2,00,00,000/- (Rupees Two Crores Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only).

The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **Sale of Goods Act, 1930**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

## **GENERAL LEGISLATIONS**

### **The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned

unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### **The Specific Relief Act, 1963**

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **Maharashtra Industrial Policy 2019**

The Maharashtra Industrial Policy, 2019 (the “Industrial Policy”) envisages making Maharashtra USD 1 Trillion economy in the country, by augmenting manufacturing ecosystem, complemented by ease of doing business initiatives, thereby evolving it into a preferred destination for global manufacturers and investors, resulting into largest employment creating state with balanced regional and inclusive growth, by 2025. In the Industrial Policy, the target has been to attain manufacturing sector growth rate of 12% to 13% to reach GSDP share of 25% by 2023-24; to attract investments worth INR 10 lakh crore by 2023-24 and to create employment opportunities for 40 lakh people by 2023-24. Some of the objectives and strategies of the policy includes retaining leadership position in industrial investment by providing conducive business environment, creating land bank for industries through MIDC, promoting investments through sector specific promotion/policies with focus on identified thrust sectors, incentivizing investments in R&D and startups, facilitating ‘Ease of Doing Business’ initiatives and strengthening Maharashtra’s Single Window System i.e. MAITRI - an online portal, making a single point for delivery of services, setting up of State level councils for promotion of investments and exports etc.

### **The Indecent Representation of Women (Prohibition) Act, 1986 (“IRWA”)**

The IRWA prohibits indecent representation of women through advertisements, publications, writings, paintings, figures or in any other manner. It states that no person shall publish or release any advertisements involving an obscene portrayal of women or agree to participate in the publication or show, in any form. In the event an offence under IRWA has been committed by a company, every person, who, at the time the offence was committed was in-charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

### **The Industrial Relations Code, 2020**

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.

### **Industrial (Development and Regulation) Act, 1951**

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **The Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 (“PG Act”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply). Gratuity is payable to the employee at the rate of 15 (fifteen) days' wages for every completed year of service or part thereof in excess of 6 (six) months.

### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 (Industrial Disputes Act) provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### **The Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 as amended (the Payment of Wages Act) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and / or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub-contractor and provides for the imposition of fines and deductions and lays down wage periods. The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payable are less than Rs. 6,500 per month.

### **Employees' State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. Whereas it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto; this Act requires all the employees of the establishment to which this act applies to be insured to the manner provided there under. The Employer and Employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWPPR Act) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines-Sexual Harassment to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an Internal Complaints Committee at each office or branch, of an organization

employing at least 10 employees. The Government in turn is required to set up a Local Complaint Committee at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **INTELLECTUAL PROPERTY LEGISLATIONS:**

In-general the Intellectual Property Rights includes but is not limited to the following enactments:

- i. The Trademarks Act, 1999
- ii. Design Act, 2000
- iii. Indian Copyright Act, 1957

#### **The Trade Marks Act, 1999 (the “Trade Marks Act”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

#### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, and 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.

#### **Design Act, 2000 (“Design Act”)**

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms, by an industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which the same can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period, the design is made available to the public by placing it in the public domain.

### **OTHER LAWS**

#### **Municipality Laws**

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

## **Police Laws**

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

## **Approvals from Local Authorities**

Setting up of a Factory or Manufacturing/Housing unit/Establishments entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

## **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

## **Transfer of Property Act, 1882**

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

## **Registration Act, 1908**

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

## **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectorial caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectorial limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") & Foreign Exchange Management (Non-debt Instruments) Rules, 2019 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 of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

## **The Arbitration & Conciliation Act, 1996**

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The

Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

### **The Code of Criminal Procedure Code, 1973**

It is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on 1st April, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behaviour. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The law of criminal procedure is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

### **The Code of Civil Procedure, 1908**

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

## HISTORY AND CORPORATE STRUCTURE

### Brief history of our Company:

Our Company was originally incorporated as a public limited company under the name and style of “Kahan Packaging Limited” at Maharashtra, Mumbai, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 19, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. We commenced commercial operations pursuant to a Certificate of Commencement of Business dated March 14, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U36100MH2013PLC240584.

Prashant Jitendra Dholakia, Rohit Jitendra Dholakia, Purvi Prashant Dholakia, Jagruti Rohit Dholakia, Anvi Rohit Dholakia, Mehul Ravilal Dedhia and Neela Hemant Mehta were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 87, 74, 111, 129 and 166 respectively of this Prospectus.

### Address:

<b>Registered Office</b>	212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.
<b>Factory-I</b>	Plot No 23, Survey No. 166-A, Hissa No. 1, Amalgamated Industrial Complex, Bombay Nasik Road, Nr. Diamond Retreat Hotel, Asangaon, Shahpur, Thane 421601, Maharashtra, India.
<b>Factory-II</b>	Plot No 22, Survey No. 166-A, Hissa No. 1, Amalgamated Industrial Complex, Bombay Nasik Road, Nr. Diamond Retreat Hotel, Asangaon, Shahpur, Thane 421601, Maharashtra, India.

### Changes in the Registered Office of the Company since Incorporation:

There has not been any change in our Registered Office since inception till the date of the Prospectus.

### Main Objects of our Company as per the Memorandum of Association:

The main objects of our Company, as set forth in our Memorandum of Association, are as follows:

1. To carry on, in India or abroad, the business of manufacturing, buying, selling, importing, exporting, trading, indenting, supplying, as agents on behalf of other parties, and/or otherwise dealing in Packaging Material like HDPE, PP Woven Sacks, fabrics, Bags, Tubes, Rolls, Sheets, Laminated bags, Multi layer bags, used for packing or packaging or packaging any goods or products, or any packaging material made of any form of plastics, textile, jutes.

### Amendments to the Memorandum of Association:

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type of Meeting	Nature of Amendments
December 20, 2016	EGM	Increase in the authorized share capital of the Company from ₹ 5.00 Lakhs divided into 50,000 Equity Shares of ₹ 10/- each to ₹ 200.00 Lakhs divided into 20,00,000 Equity Shares of ₹ 10/- each.
April 25, 2023	EGM	Increase in the authorized share capital of the Company from ₹ 200.00 Lakhs divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 500.00 Lakhs divided into 50,00,000 Equity Shares of ₹ 10/- each.
June 19, 2023	EGM	Adoption of new set of Memorandum of Association as per Companies Act, 2013

### Major Key Events, Milestone and Achievements of our Company:

The Table below sets forth some of the major events in the history of our company:

Year/F.Y.	Key Events / Milestone / Achievements/ Awards/ Recognitions/ Accreditations
2013	Incorporation of the Company
2016	Commencement of commercial production of woven fabrics on rented premise at Factory-I
2018-19	Acquired Factory -I from Ashhapura Poly Mills Ltd and executed sale agreement
2022-23	Establishment of additional manufacturing Factory -II
2022-23	Introduction of new product category being printed laminates for flexible packaging

**Other details about our Company:**

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of stores, technology, marketing strategy, competition and our customers, please refer section titled "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" and "**Basis for Issue Price**" on pages 87, 166 and 66 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "**Our Management**" and "**Capital Structure**" beginning on page 111 and 50 of the Prospectus respectively.

**Capital Raising (Debt / Equity):**

For details in relation to our capital raising activities through equity, please refer to the chapter titled "**Capital Structure**" beginning on page 50 of the Prospectus. For details of our Company's debt facilities, see "**Statement of Financial Indebtedness**" on page 162 of the Prospectus.

**Changes in activities of our Company during the last five (5) Years:**

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Prospectus.

**Our Holding Company:**

As on the date of the Prospectus, our Company is not a subsidiary of any company.

**Our Subsidiaries, Associates, and Joint Ventures**

Our Company does not have any Subsidiaries, Associates or Joint Ventures as on the date of this Prospectus.

**Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation, Revaluation of Assets etc.**

Except as disclosed in this Prospectus, 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.

**Injunction or Restraining Order:**

Except as disclosed in the section titled "**Outstanding Litigation and Material Developments**" beginning on page 173 of this Prospectus, there are no injunctions/restraining orders that have been passed against the Company.

**Number of shareholders of our Company:**

Our Company has 7 (Seven) shareholders as on the date of this Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled "**Capital Structure**" beginning on page 50 of the Prospectus.

**Changes in the Management:**

For details of change in Management, please see chapter titled "**Our Management**" on page 111 of the Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company:**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.



**Shareholders Agreements:**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Prospectus.

**Collaboration Agreements:**

As on date of this Prospectus, Our Company is not a party to any collaboration agreements.

**Material Agreement:**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

**Strategic or Financial Partners:**

Except as disclosed in this Prospectus, Our Company does not have any strategic or financial partners as on the date of this Prospectus.

**Time and Cost Overruns in Setting up Projects:**

There has been no time / cost overrun in setting up projects by our Company.

**Defaults or Rescheduling of Borrowings with Financial Institutions/Banks:**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Prospectus.

**Other Agreements:**

**i. Non-Compete Agreement:**

Our Company has not entered into any No- compete Agreement as on the date of filing of this Prospectus.

**ii. Joint Venture Agreement:**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Prospectus.

**OUR MANAGEMENT****Board of Directors:**

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Prospectus:

Name, Father's Name Designation, Age, Date of Birth, Address, Experience, Occupation, Nationality, Qualification, Current term, Period of Directorship and DIN	Other directorships
<p><b>Prashant Jitendra Dholakia</b>  <b>Father's Name:</b> Jitendra Dholakia  <b>Designation:</b> Chairman &amp; Managing Director  <b>Age:</b> 51 years  <b>Date of Birth:</b> March 03,1972  <b>Address:</b> 3-E, 193, 194, Kalpataru Aura, Phase-II, LBS Marg, Opp R-City Mall, Ghatkopar West, Mumbai 400086, Maharashtra, India.  <b>Experience:</b> more than 25 years  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Qualification:</b> Bachelor in Commerce (B. Com)  <b>Current Term:</b> Change in designation as Chairman &amp; Managing Director of the Company for a period of 5 years, w.e.f. June 17, 2023 and shall be liable to retire by rotation  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 06428389</p>	Nil
<p><b>Rohit Jitendra Dholakia</b>  <b>Father's Name:</b> Jitendra H Dholakia  <b>Designation:</b> Whole Time Director  <b>Age:</b> 55 years  <b>Date of Birth:</b> January 24, 1968  <b>Address:</b> 3G/163, Kalpataru Aura, L B S Marg, Near R City, Ghatkopar West, Mumbai 400086, Maharashtra, India.  <b>Experience:</b> 33 years  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Qualification:</b> Bachelor in Commerce (B. Com)  <b>Current Term:</b> Change in designation as Whole Time Director of the Company for a period of 5 years, w.e.f. June 17, 2023 and shall be liable to retire by rotation  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 05302050</p>	Nil
<p><b>Purvi Prashant Dholakia</b>  <b>Father's Name:</b> Lt. Chandrakant Dalukhbhai Jobalia  <b>Designation:</b> Whole Time Director &amp; CFO  <b>Age:</b> 48 years  <b>Date of Birth:</b> March 28, 1975  <b>Address:</b> 3-E, 193, 194, Kalpataru Aura, Phase-II, LBS Marg, Opp R-City Mall, Ghatkopar West, Mumbai 400086, Maharashtra, India.  <b>Experience:</b> 10 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>Qualification:</b> Bachelor in Commerce (B. Com)  <b>Current Term:</b> Change in designation as Whole Time Director of the Company for a period of 5 years, w.e.f. June 17, 2023 and shall be liable to retire by rotation; Further, Appointed as CFO w.e.f. June 17, 2023  <b>Period of Directorship:</b> Since incorporation</p>	Nil

Name, Father's Name Designation, Age, Date of Birth, Address, Experience, Occupation, Nationality, Qualification, Current term, Period of Directorship and DIN	Other directorships
<p><b>DIN:</b> 05302029</p> <p><b>Jagruti Rohit Dholakia</b>  <b>Father's Name:</b> Lt. Leharchand Harjivandas Doshi  <b>Designation:</b> Non-Executive Director  <b>Age:</b> 55 years  <b>Date of Birth:</b> April 30, 1968  <b>Address:</b> 3G/163, Kalpataru Aura Phase-II, L B S Marg, Near R City, Ghatkopar West, Mumbai 400086, Maharashtra, India.  <b>Experience:</b> 10 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>Qualification:</b> Bachelor in Commerce (B. Com)  <b>Current Term:</b> Change in designation as Non-Executive Director of the Company, w.e.f. June 19, 2023 and shall be liable to retire by rotation  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 05302006</p>	<p>Nil</p>
<p><b>Naman Haresh Patel</b>  <b>Father's Name:</b> Haresh Narsinh Patel  <b>Designation:</b> Independent Director  <b>Age:</b> 21 years  <b>Date of Birth:</b> December 15, 2001  <b>Address:</b> 502 Nitin Villa, Plot No. 7/339, Near Gurukul Society, Panchpakhadi, Thane West, Mumbai 400602, Maharashtra, India.  <b>Experience:</b> 2 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Service  <b>Qualification:</b> Bachelor in Commerce (B. Com)  <b>Current Term:</b> Appointed as Independent Director of the Company for a period of 5 years, w.e.f. June 17, 2023 and shall not be liable to retire by rotation  <b>Period of Directorship:</b> 5 years  <b>DIN:</b> 10200283</p>	<p>Nil</p>
<p><b>Tushar Rameshchandra Shah</b>  <b>Father's Name:</b> Rameshchandra Shah  <b>Designation:</b> Independent Director  <b>Age:</b> 55 years  <b>Date of Birth:</b> November 29, 1967  <b>Address:</b> Near Standard Chartred Bank, Ghatkopar (E), Plot No.168/2, Paras CHS, 60 Feet Road, Deraser Lane, VTC Rajawadi, Mumbai 400077, Maharashtra India.  <b>Experience:</b> 30 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Service  <b>Qualification:</b> S.Y.B. Com (Second Year Bachelor in Commerce)  <b>Current Term:</b> Appointed as Independent Director of the Company for a period 5 years, w.e.f. June 17, 2023 and shall not be liable to retire by rotation  <b>Period of Directorship:</b> 5 years  <b>DIN:</b> 10200280</p>	<p>Nil</p>

**Brief Profile of Directors:**

1. **Prashant Jitendra Dholakia**, is one of our Promoter and chairman & Managing Director of our Company. He has been associated with the Company since incorporation. He has completed his Bachelor of Commerce from University of Bombay, in 1993. He has a work experience of more than 25 years in the field of Manufacturing & Packaging Industry. Being an entrepreneur he looks after core management of the company, active and enthusiastic in business activities. He is primarily responsible for the performance, overall business development, Production Department, customer support etc of our Company, including but not limited to developing strategic plans, promotion of production and growth of our Company.
2. **Rohit Jitendra Dholakia**, is one of our Promoter and the Whole Time Director of our Company. He has been associated with the Company since incorporation. He has completed his Bachelor of Commerce from University of Bombay in 1989. He has a work experience of over 33 years in the Manufacturing & Packaging Industry. He is playing vital role in supervision of Marketing, administration and logistic. He is responsible for the expansion and overall management of the business of our Company and his leadership abilities have been instrumental in leading the core team of our Company.
3. **Purvi Prashant Dholakia**, is the Whole Time Director and CFO of our Company. She has been associated with the Company since incorporation. She has completed her Bachelor of Commerce from Bombay University, in 1995. She has a work experience of 10 years in the field of Manufacturing & Packaging Industry. She is responsible for handling the financial activities of the company including finance, statutory compliance.
4. **Jagruti Rohit Dholakia**, is a Non-Executive Director of our Company. She has been associated with the Company since incorporation. She has completed her Bachelor of Commerce Saurashtra University. She has a work experience of 10 years in the field of Manufacturing & Packaging Industry.
5. **Naman Haresh Patel** is an independent director of our Company. He has been appointed at the Board meeting dated June 17, 2023 from the date of ensuing general meeting for a term of 5 years and approved by shareholders vide Extra Ordinary general meeting dated June 19, 2023. He has completed his Bachelor of Commerce from University of Mumbai in 2023. He holds a post qualification work experience of around 2 years in the field of marketing and developing new products and clients.
6. **Tushar Rameshchandra Shah** is an independent director of our Company. He has been appointed at the Board meeting dated June 17, 2023 from the date of ensuing general meeting for a term of 5 years and approved by shareholders vide Extra Ordinary general meeting dated June 19, 2023. He has completed his Bachelor of Commerce upto 2 years from University of Mumbai in 1990. He holds a post qualification work experience of around 30 years in the field of hardware manufacturing and product development.

**Confirmations:**

As on the date of this Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of our Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 .
- d) None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Director or member of the senior management.

### Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

### Details of Borrowing Powers of Directors

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on June 19, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have been authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100 crores (Rupees One Hundred Crores Only).

### Compensation of our Managing Director & Whole-time Director

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

### The following compensation has been approved for Managing Director & Whole time Director

#### Prashant Jitendra Dholakia: Chairman & Managing Director

Pursuant to the resolutions passed by our Board and our Shareholders on June 17, 2023 and June 19, 2023 respectively, Prashant Jitendra Dholakia was change in designation as Chairman & Managing Director for a period of five years with effect from June 17, 2023 at a remuneration of Rs 25,000/- per month, which includes, basic salary, dearness allowance, perquisites and other allowances or any other combination thereof.

#### Rohit Jitendra Dholakia: Whole Time Director

Pursuant to the resolutions passed by our Board and our Shareholders on June 17, 2023 and June 19, 2023 respectively, Rohit Jitendra Dholakia was change in designation as Whole Time Director for a period of five years with effect from June 17, 2023 at a remuneration of Rs 25,000/- per month, which includes, basic salary, dearness allowance, perquisites and other allowances or any other combination thereof.

#### Purvi Prashant Dholakia: Whole Time Director & CFO

Pursuant to the resolutions passed by our Board and our Shareholders on June 17, 2023 and June 19, 2023 respectively, Purvi Prashant Dholakia was redesignated as Whole Time Director for a period of five years with effect from June 17, 2023 at a remuneration of Rs 25,000/- per month, which includes, basic salary, dearness allowance, perquisites and other allowances or any other combination thereof.

### Payments or benefits to Directors

The remuneration paid to our Directors in Fiscal 2023 is as follows:

Name of Director	Remuneration paid in F.Y. 2022-23 (in Rs.)
Prashant Jitendra Dholakia	40,000/-
Rohit Jitendra Dholakia	2,40,000/-
Purvi Prashant Dholakia	2,80,000/-
Jagruti Rohit Dholakia	2,40,000/-

**Bonus or Profit-Sharing plan for our directors:**

We have no bonus or profit-sharing plan for our directors.

**Sitting Fees:**

As per Articles of Association of our Company and pursuant to Board Resolution dated June 20, 2023 the remuneration payable in terms of sitting fees to the Directors (including Independent Directors) for attending the Meetings of the Board and Committee thereof shall not exceed the limits prescribed under Section 197(5) of the Companies Act, 2013.

**Shareholding of our Director as on the date of this Prospectus: -**

Sr. No.	Name of the Director	No. of Shares Held	Holding in %
1.	Prashant Jitendra Dholakia	6,60,000	33.00
2.	Rohit Jitendra Dholakia	6,60,000	33.00
3.	Jagruti Rohit Dholakia	3,31,000	16.55
4.	Purvi Prashant Dholakia	3,39,000	16.95
<b>Total</b>		<b>19,90,000</b>	<b>99.50</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Prospectus.

We do not have Subsidiary Company as defined under Section 2(87) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

**INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 111 of this Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by the Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 162 of this Prospectus.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company –Note - 32 - Related Party Disclosure”** beginning on page 111 and 129 respectively of this Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

**Interest in the property of Our Company:**

Except as mentioned hereunder, our directors do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of this Prospectus:

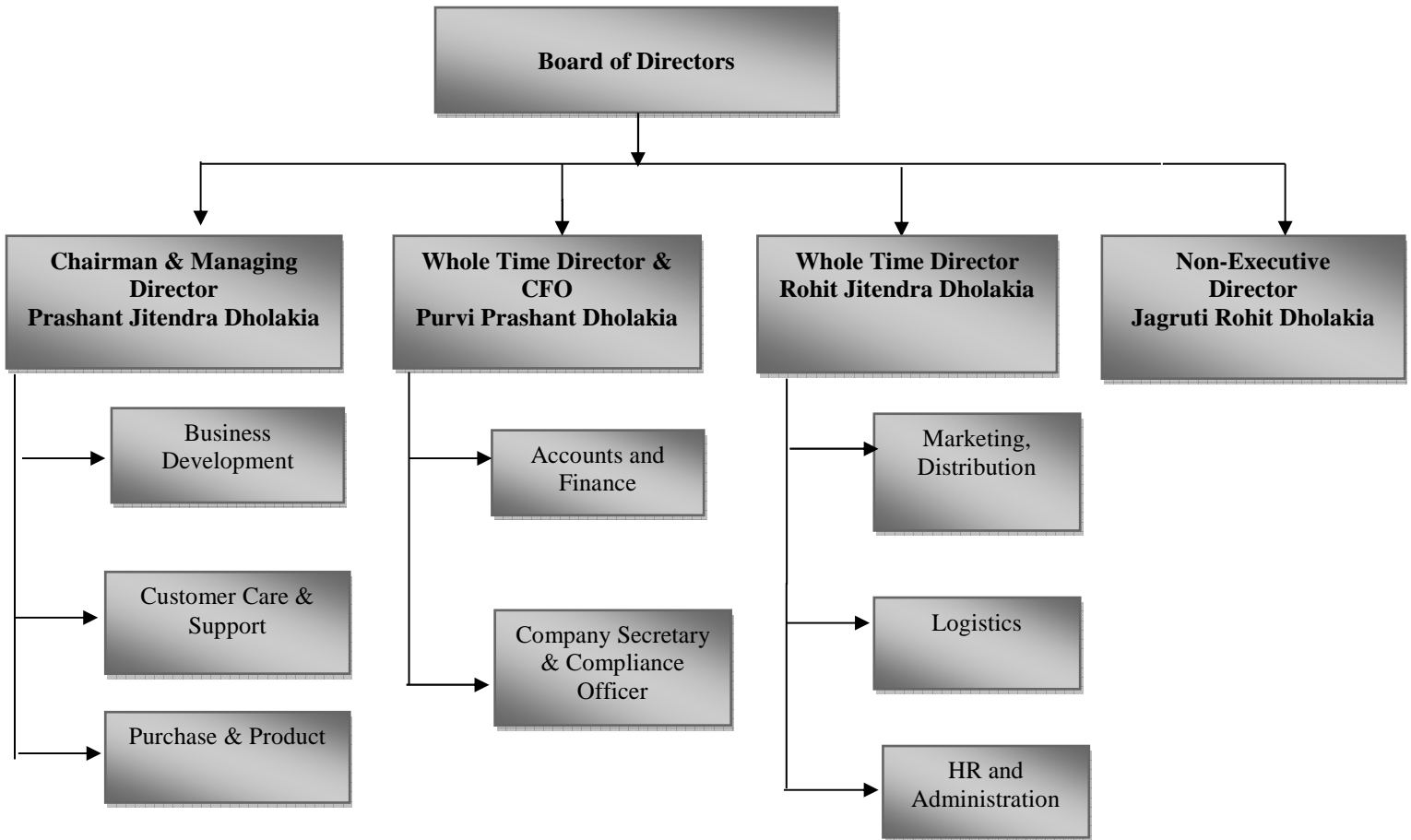
Sr. No.	Name	Address of Property	Interest and nature of interest
1.	Purvi Prashant Dholakia	<b>Registered Office:</b> 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.	The said property has been obtained on rent of Rs. 20,000 per month, from Purvi Prashant Dholakia vide rent agreement dated March 19, 2023.

**Changes in Board of Directors in last 3 Years**

Sr. No.	Name of Directors	Date of Appointment / Re- appointment	Reasons for Change
1.	Prashant Jitendra Dholakia	Change in designation as Chairman & Managing Director w.e.f. June 17, 2023.	To ensure better Corporate Governance and compliance with the Companies Act, 2013
2.	Rohit Jitendra Dholakia	Change in designation as Whole time Director w.e.f. June 17, 2023.	
3.	Jagruti Rohit Dholakia	Change in designation as as Non-Executive Director w.e.f. June 19, 2023.	
4.	Purvi Prashant Dholakia	Change in designation as Whole Time Director w.e.f. June 17, 2023; and designated as Chief Financial Officer w.e.f. June 17, 2023.	
5.	Naman Haresh Patel	Appointed as Additional Independent Director w.e.f. June 17, 2023 and regularized as Independent Director in the EGM dated June 19, 2023.	
6.	Tushar Rameshchandra Shah	Appointed as Additional Independent Director w.e.f. June 17, 2023 and regularized as Independent Director in the EGM dated June 19, 2023.	

**MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure: -



## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee, by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations. Our Board undertakes to take all necessary steps to continue to comply with all the requirements of Listing Regulations and the Companies Act, 2013.

Our Board has been constituted in compliance with the Companies Act, the SEBI (LODR) Regulations. The Board of Directors function either as a full board or through various committees constituted to oversee specific operational areas.

Our Board of Directors consist of six (6) Directors of which two (2) are Independent Directors, and we have two women directors on the Board. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

### **Committees of the Board:**

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Details of the Committees as on the date of this Prospectus are set forth below

#### **1. Audit Committee**

Our Company at its Board Meeting held on June 20, 2023 has constituted an Audit Committee ("Audit Committee") in compliance with the provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constituted Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Tushar Rameshchandra Shah	Chairman	Independent Director
Naman Haresh Patel	Member	Independent Director
Prashant Jitendra Dholakia	Member	Managing Director

The Company Secretary of the Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of the Company to furnish clarifications to the shareholders on any matter relating to accounts. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **A. Tenure:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher.

#### **C. Role and Powers:**

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

#### **The Audit Committee shall have powers, including the following:**

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;



- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

**The role of the Audit Committee shall include the following:**

- 1) oversight the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussing with internal auditors on any significant findings and follow up thereon;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- 23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law; and
- 24) Carrying out any other functions as is mentioned in the terms of reference of the audit committee or containing into SEBI (LODR) Regulations 2015.

Further, the Audit Committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Nomination and Remuneration Committee

Our Company at its Board Meeting held on June 20, 2023 has constituted the Nomination and Remuneration Committee in compliance with the provisions of Section 178, Schedule V and all other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constituted Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Tushar Rameshchandra Shah	Chairman	Independent Director
Naman Haresh Patel	Member	Independent Director
Jagruti Rohit Dholakia	Member	Non-Executive Director

The Company Secretary of the Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

### A. Tenure:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

### B. Meetings:

The committee shall meet as and when the need arises, subject to at least one meeting in a year. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.

### C. Scope and terms of reference:

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

- 1) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
- 3) formulation of criteria for evaluation of the performance of independent directors and the Board;
- 4) devising a policy on diversity of our Board;
- 5) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
- 6) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of

- performance evaluation of independent directors;
- 7) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
  - 8) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
  - 9) recommending to the Board, all remuneration, in whatever form, payable to senior management;
  - 10) performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
  - 11) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
  - 12) analyzing, monitoring and reviewing various human resource and compensation matters;
  - 13) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  - 14) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
  - 15) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

### 3. Stakeholders Relationship Committee

Our Company at its Board Meeting held on June 20, 2023 has approved the constitution of the Stakeholders Relationship Committee in compliance with the provisions of the Section 178(5) and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Tushar Rameshchandra Shah	Chairman	Independent Director
Prashant Jitendra Dholakia	Member	Managing Director
Purvi Prashant Dholakia	Member	Whole time Director & CFO

The Company Secretary of our Company shall act as a Secretary to the Stakeholder Relationship Committee. The scope and function of the Stakeholder Relationship Committee and its terms of reference shall include the following:

#### A. Tenure:

The Stakeholder Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder Relationship Committee as approved by the Board.

#### B. Meetings:

The Stakeholder Relationship Committee shall meet at least once in a year, and shall report to the Board on a quarterly basis regarding the status of re-dressal of the complaints received from the shareholders of the Company. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.

#### C. Scope and terms of reference:

The terms of reference of the Stakeholders Relationship Committee as per Regulation 20 and Part D of Schedule II of SEBI Listing Regulations, 2015 and Companies Act, 2013 shall be as under:

- 1) Consider and resolve grievances of security holders of the Company, 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.;
- 2) Review of measures taken for effective exercise of voting rights by shareholders;
- 3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- 4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- 5) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from

- shareholders from time to time;
- 6) To approve, register, refuse to register transfer or transmission of shares and other securities;
  - 7) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
  - 8) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
  - 9) To dematerialize or rematerialize the issued shares;
  - 10) Ensure proper and timely attendance and redressal of investor queries and grievances;
  - 11) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
  - 12) To perform such functions as may be delegated by the Board and to further delegate all or any of its power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
  - 13) Such terms of reference as may be prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law

## KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation, Educational Qualification & Term of office	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2022-23 (in Rs. Lakh)	Overall experience (in years)	Previous employment
<b>Prashant Jitendra Dholakia</b> Designation: Chairman & Managing Director Educational Qualification: Bachelor of Commerce. Term of office: 5 years w.e.f. June 17, 2023	51	2013	.40	More than 25	-
<b>Rohit Jitendra Dholakia</b> Designation: Whole Time Director Educational Qualification: Bachelor of Commerce Term of office: 5 years w.e.f. June 17, 2023	55	2013	2.40	33	-
<b>Purvi Prashant Dholakia</b> Designation: Whole Time Director & CFO Educational Qualification: Bachelor of Commerce. Term of office: 5 years w.e.f. June 17, 2023	48	2013	2.80	10	-
<b>Mithun Patel</b> Designation: Company Secretary and Compliance Officer Educational Qualification - Company Secretary	33	2023	NA	7	Leo da Vinci Exports Limited

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Prashant Jitendra Dholakia** - Please refer to section “Brief Profile of our Directors” beginning on page 111 of this Prospectus for details.

**Rohit Jitendra Dholakia** - Please refer to section “Brief Profile of our Directors” beginning on page 111 of this Prospectus for details.

**Purvi Prashant Dholakia** - Please refer to section “Brief Profile of our Directors” beginning on page 111 of this Prospectus for details.

**Mithun Patel** is the Company Secretary and Compliance Officer of our Company. He is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India. He has experience of 7 years in the field of secretarial and corporate law compliances. He is currently responsible for the overall Corporate Governance and secretarial Compliance and functions of our Company.

**We confirm that:**

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Prashant Jitendra Dholakia, Rohit Jitendra Dholakia and Purvi Prashant Dholakia is also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 31 2023.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel hold any shares of our Company as on the date of filing of this Prospectus except as under.

Sr. No.	Name of the KMPs	No of shares held
1.	Prashant Jitendra Dholakia	6,60,000
2.	Rohit Jitendra Dholakia	6,60,000
3.	Purvi Prashant Dholakia	3,39,000
<b>Total</b>		<b>16,59,000</b>

- Presently, we do not have Employee Stock Option Plan (ESOP)/ Employee Stock Purchase Scheme (ESPS) for our employees.

#### Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)

Except as detailed below, none of our Key Management Personnel or Directors are related to each other, within the meaning of section 2(77) of the Companies Act, 2013

Sr. No.	Name of the Director/KMPs	Relationship
1.	Prashant Jitendra Dholakia	Husband of Purvi Prashant Dholakia and brother of Rohit Jitendra Dholakia
2.	Purvi Prashant Dholakia	Wife of Prashant Jitendra Dholakia
3.	Rohit Jitendra Dholakia	Husband of Jagruti Rohit Dholakia and brother of Prashant Jitendra Dholakia
4.	Jagruti Jitendra Dholakia	Wife of Rohit Jitendra Dholakia

#### Payment of benefits to officers of Our Company (non-salary related)

Except as disclosed in this Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards the Provident fund, Gratuity fund and Employee State Insurance

#### Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name of Directors/ KMP's	Designation and period	Appointment/ Cessation/Re-designation	Reasons
1.	Prashant Jitendra Dholakia	Change in designation as Chairman & Managing Director w.e.f. June 17, 2023	Change in designation	To comply with the provisions of the Companies Act 2013 and to ensure better Corporate Governance
2.	Purvi Prashant Dholakia	Change in designation as Whole time Director w.e.f. June 17, 2023; and designated as Chief Financial Officer w.e.f. June 17, 2023	Change in designation	
3.	Rohit Jitendra Dholakia	Change in designation as Whole time Director w.e.f. June 17, 2023	Change in designation	
4.	Mithun Patel	Company Secretary & Compliance Officer w.e.f. June 17, 2023	Appointment	

#### Interest of our Key Managerial Personnel

Apart to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company, none of our Key Managerial Personal is interested in our Company. For details, please refer section titled "*Financial information of the Company – Note 32 - Related Party Disclosures*" beginning on page 129 of this Prospectus.

**Interest in the property of our Company**

Except as mentioned hereunder, Our KMPs do not have any interest in any property acquired/rented by our Company in a period of two years before the filing of this Prospectus or proposed to be acquired by us as on the date of filing the Prospectus with RoC.

Sr. No.	Name	Address of Property	Interest and nature of interest
1.	Purvi Prashant Dholakia	<b>Registered Office:</b> 212, Jhalawar Service Premises, E S Patanwalla Compound, LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.	The said property has been obtained on rent of Rs. 20,000 per month, from Purvi Prashant Dholakia vide rent agreement dated March 19, 2023.

**Details of the Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

**Loans given/availed by Directors / Key Managerial Personnel of our Company**

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "*Note – Related Party Disclosure*" page 129 of this Prospectus.

**Employee Stock Option Plan ('ESOP')/ employee stock purchase scheme ('ESPS Scheme') to Employees**



Presently, we do not have any ESOP/ESPS Scheme for our employees.

**OUR PROMOTERS & PROMOTER GROUP****OUR PROMOTERS:**

The Promoters of our Company are Prashant Jitendra Dholakia and Rohit Jitendra Dholakia.

As on date of this Prospectus, the Promoters, in aggregate, hold 13,20,000 Equity shares of our Company, representing 66.00% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", on pages 50 of this Prospectus.

***Brief Profile of our Promoters are as under:***

	<b>Prashant Jitendra Dholakia – Chairman &amp; Managing Director</b>	
	<b>Qualification</b>	Bachelor in Commerce (B. Com)
	<b>Age</b>	51 years
	<b>Date of Birth</b>	March 03, 1972
	<b>Address</b>	3-E, 193, 194, Kalpataru Aura, Phase-II, LBS Marg, Opp R-City Mall, Ghatkopar West, Mumbai 400086, Maharashtra, India.
	<b>Experience</b>	More than 25 years
	<b>Occupation</b>	Business
	<b>PAN</b>	ADRPD6159P
	<b>No. of Equity Shares &amp;% of Shareholding (Pre-Issue)</b>	6,60,000 Equity Share aggregating to 33.00% of Pre-Issue Paid up Share Capital of the Company.
	<b>Other Ventures</b>	<b>HUF's:</b> Prashant Jitendra Dholakia HUF <b>Proprietorship Firm:</b> M/s Kahan Packaging
		<b>Rohit Jitendra Dholakia – Whole Time Director</b>
<b>Qualification</b>		Bachelor in Commerce (B. Com)
<b>Age</b>		55 years
<b>Date of Birth</b>		January 01, 1968
<b>Address</b>		3G/163, Kalpataru Aura, L B S Marg, Near R City, Ghatkopar West, Mumbai 400086, Maharashtra, India.
<b>Experience</b>		33 years
<b>Occupation</b>		Business
<b>PAN</b>		AEMPD4581P
<b>No. of Equity Shares &amp;% of Shareholding (Pre-Issue)</b>		6,60,000 Equity Share aggregating to 33.00% of Pre-Issue Paid up Share Capital of the Company.
<b>Other Ventures</b>		<b>HUF's:</b> Rohit Jitendra Dholakia HUF <b>Proprietorship Firm:</b> M/s Rohit Enterprise

For brief biography of our Individual Promoters, please refer to Chapter titled "*Our Management*" beginning on page 111 of this Prospectus.

**Confirmations/Declarations:**

In relation to our Promoters, Prashant Jitendra Dholakia and Rohit Jitendra Dholakia, our Company confirms that the PAN, Bank Account Numbers, Passport Number, Aadhaar Card Number and Driving License number shall be submitted to BSE at the time of filing of this Prospectus.

**Undertaking/ Confirmations:**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 173 of this Prospectus.
- None of our Promoters, person in control of our Company is or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

**Interest of our Promoters:**

*i. Interest in promotion and shareholding of Our Company:*

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Prospectus, our Promoters, Prashant Jitendra Dholakia and Rohit Jitendra Dholakia collectively holds 13,20,000 Equity Shares in our Company i.e. 66.00% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to *Annexure - Y – “Related Party Transactions”* beginning on page 129 of this Prospectus. For details regarding the shareholding of our Promoters in our Company, please see “*Capital Structure*” on page 50 of this Prospectus.

*ii. Interest in the property of Our Company:*

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of this Prospectus.

*iii. In transactions for acquisition of land, construction of building and supply of machinery*

None of our Promoters or Directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

*iv. Other Interests in our Company*

For transactions in respect of loans and other monetary transactions entered in past please refer **Annexure - Y** on “**Related Party Transactions**” on page 129 forming part of “**Financial Information of the Company**” of this Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the



details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” and “*Financial Information of Our Company*” on page 162 and 129 respectively of this Prospectus.

**Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoter and promoter group, please refer to the paragraph “*Compensation of our Managing Director*” in the chapter titled “*Our Management*” beginning on page 111 also refer Annexure - Y on “*Related Party Transactions*” on page 129 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoter*” in chapter titled “*Our Promoter and Promoter Group*” on page 124 of this Prospectus.

**Companies/Firms with which our Promoters have disassociated in the last (3) three years**

None of our promoters have disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Prospectus.

**Other ventures of our Promoter**

Save and except as disclosed in this section titled “*Our Promoter & Promoter Group*” beginning on page 124 of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 173 of this Prospectus.

**Experience of Promoters in the line of business**

Our Promoters, Prashant Jitendra Dholakia and Rohit Jitendra Dholakia have an experience of more than 25 years in the Manufacturing & Packaging Industry. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

**Related Party Transactions**

Except as stated in “*Annexure - Y Related Party Transactions*” beginning on page 129 of this Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

**OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

**1. Natural Persons who are part of the Promoter Group:**

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter) are as follows:

Relationship	Name of the Relatives	
	Prashant Jitendra Dholakia	Rohit Jitendra Dholakia
Father	Jitendra Dholakia	Jitendra H Dholakia
Mother	Bhanumati Jitendra Dholakia	Bhanumati Jitendra Dholakia
Spouse	Purvi Prashant Dholakia	Jagruti Rohit Dholakia
Brother	Rohit Jitendra Dholakia	Prashant Jitendra Dholakia
Sister	Heena Dipen Somaiya	Heena Dipen Somaiya
Son	Jainam Dholakia, Nemin Dholakia	Sahaj Dholakia
Daughter	-	Anvi Dholakia
Spouse’s Father	Lt. Chandrakant Dalukhbhai Jobalia	Lt. Leharchand Harjivandas Doshi
Spouse’s Mother	Lt. Premila Chandrakant Jobalia	Lt. Tarlaben Laherchand Doshi

Relationship	Name of the Relatives	Name of the Relatives
	Prashant Jitendra Dholakia	Rohit Jitendra Dholakia
Spouse's Brother	Rakesh Jobalia & Paras Jobalia	Narendra Doshi, Vijay Doshi, Bharat Doshi, Shailesh Doshi & Jayesh Doshi
Spouse's Sister	-	Bhavna Bavisi

## 2. Corporate Entities or Firms forming part of the Promoter Group:

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S. No.	Nature of Relationship	Name of Entities
1.	Any Body Corporate in which 20% or more of the Equity Share Capital is held by Promoter or an immediate relative of the Promoter or a firm or Hindu Undivided Family (HUF) in which Promoter or any one or more of his immediate relatives are a member.	--
2.	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	--
3.	Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;	1. M/s. Kahan Packaging 2. M/s. Rohit Enterprise 3. Prashant Jitendra Dholakia HUF 4. Rohit Jitendra Dholakia HUF

## 3. Other persons included in Promoter Group:

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.

### **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have a formal dividend policy for declaration of dividend in respect of Equity shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the last three financial years and from March 31, 2023 to the date of the filing of this Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION-VI**  
**FINANCIAL INFORMATION OF THE COMPANY**

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

**To,**  
The Board of Directors  
**Kahan Packaging Limited,**  
212, Jhalawar Service Premises,  
E S Patanwalla Compound,  
Opp. Shreyas Talkies, L.B.S.Marg,  
Ghatkopar - West, Mumbai – 400086

Dear Sir,

**Reference:** - Proposed Public Issue of Equity Shares of **Kahan Packaging Limited.**

We have examined the attached Restated Financial Statement of **Kahan Packaging Limited** (hereunder referred to “the Company”, “Issuer”) comprising the Restated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022, and March 31, 2021, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for year ended March 31, 2023, March 31, 2022, and March 31, 2021, the statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Statement ) as approved by the Board of Directors in their meeting held on 10<sup>th</sup> August, 2023 for the purpose of inclusion in the Draft Prospectus/Prospectus (“Offer Document”) in connection with its proposed Initial Public Offering (IPO) of equity shares, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (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 2020) issued by the Institute of Chartered Accountants of India as amended from time to time. (“The Guidance Note”)

The Company’s Board of Directors is responsible for the preparation of the Restated Financial Statement for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, of relevant state in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021, on the basis of notes to restatement in note IV to the Restated Financial Statement. The Board of Directors of the company’s responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statement.

We have examined such Restated Financial Statement taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 15th March, 2023 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; 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.

This Restated Financial Statements have been compiled by the management from:

- a) Audited financial statements of the company as at and for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India,

For the purpose of our examination, we have relied on:

- a) Auditors' Report issued by the Previous Auditor M/s Dhanesh Amritlal & Associates dated 05<sup>th</sup> August, 2023, 08<sup>th</sup> September, 2022, and 09<sup>th</sup> November, 2021, for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 respectively.
- b) The modification in restated financials were carried out based on the modified reports, if any, issued by Previous Auditor which is giving rise to modifications on the financial statements as at and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021.
- c) The Restated Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- d) The Restated Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial year to which they relate;
- e) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
- f) 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;
- g) Adjustments in Restated Financial Statement have been made in accordance with the correct accounting policies,
- h) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statement, except:
1. Accounting of retirement benefits was accounted on cash basis which is not as per AS-15 (Revised) "Employee benefits", however during the restatement Company has accounted such retirement benefits basis actuarial valuation certificate.
  2. Company was following the Inclusive method of Accounting (Indirect Tax GST was included in Statement of Profit and Loss and Inventory), however during the restatement Company following the excluding method of accounting and that is regarded as change in accounting policy as per ICAI Guidance Note. Necessary effect and disclosure is given in Restated financials.
- i) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statement
- j) The Company has not paid dividend during FY 2020-21 to FY 2022-23.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that

- a) The "Restated Statement of Assets and Liabilities" as set out in Annexure I to this report, of the Company March 31, 2023, March 31, 2022, and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated 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 fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
- b) The "Restated Statement of Profit and Loss" as set out in Annexure II to this report, of the Company for Financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated 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 Statement of Cash Flow" as set out in Annexure III to this report, of the Company for Financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the 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.

We have also examined the following other financial information relating to the Company prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company for Financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 proposed to be included in the Offer Document for the proposed IPO.

Restated Statement of Share Capital, Reserves and Surplus	Annexure-A
Restated Statement of Long Term and Short - Term Borrowings/ Statement of principle Term of Secured loan and Assets charges as security and Statement of term & Condition of unsecured Loans.	Annexure-B, B(A) and B(B)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of long-term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities and short-term Provisions	Annexure-F
Restated Statement of Property, Plant and Equipment and Intangible Assets	Annexure-G
Restated Statement of Non-Current Investments	Annexure-H
Restated Statement of Long-Term Loans and Advances	Annexure-I
Restated Statement of Non-Current Assets	Annexure-J
Restated Statement of Inventory	Annexure-K
Restated Statement of Trade Receivables	Annexure-L
Restated Statement of Cash & Cash Equivalents	Annexure-M
Restated Statement of Short-Term Loans and Advances	Annexure-N
Restated Statement of Other Current Assets	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Non- Operating Income	Annexure-Q
Restated Statement of Cost of Material Consumed and Purchases of Stock in Trade	Annexure-R
Restated Statement of Change in Inventories	Annexure-S
Restated Statement of Employee Benefits Expenses	Annexure-T
Restated Statement of Finance Cost	Annexure-U
Restated Statement of Depreciation & Amortization	Annexure-V
Restated Statement of Other Expenses	Annexure-W
Restated Statement of Mandatory Accounting Ratios	Annexure-X
Restated Statement of Related Party Transaction	Annexure-Y
Restated Statement of Capitalization	Annexure-Z
Restated Statement of Tax Shelter	Annexure-AA
Restated Statement of Contingent Liabilities	Annexure-AB
Restated Statement of Other Financial Ratio	Annexure-AC
Significant Accounting Policy and Notes to The Restated financial Statements	Annexure IV
Material Adjustment to the Restated Financial	Annexure V

In our opinion and to the best of information and explanation provided to us, the Restated Financial Statement of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. R K Jagetiya & Co, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and our peer Review Certificate is valid as on the date of signing of this report.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above Financial Statements along with Annexure A to AC of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV and V are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note issued by ICAI.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed SME IPO of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For R K Jagetiya & CO.**

Chartered Accountant

**FRN:** - 146264W

Sd/-

**Ravi K Jagetiya**

Proprietor

**M. No.** 134691

**Place:** Mumbai

**Date:** 10<sup>th</sup> August, 2023

**UDIN:** 23134691BGWLQB6516

**ANNEXURE I**  
**RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

(Amount in Rs. Lakhs)

Sr. No.	Particulars	Annexure No	As at		
			3/31/2023	3/31/2022	3/31/2021
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1.</b>	<b>Shareholders' Funds</b>				
(a)	Share Capital	A	100.00	50.00	50.00
(b)	Reserves & Surplus		72.91	19.53	(0.25)
			<b>172.91</b>	<b>69.53</b>	<b>49.75</b>
<b>2.</b>	<b>Non-Current Liabilities</b>				
(a)	Long Term Borrowings	B, B(A) and B(B)	425.96	256.80	278.82
(b)	Deferred Tax Liabilities (Net)	C	27.99	22.69	17.92
(c)	Long Term Provisions	D	3.05	2.90	2.11
			<b>457.00</b>	<b>282.40</b>	<b>298.85</b>
<b>3.</b>	<b>Current Liabilities</b>				
(a)	Short Term Borrowings	B, B(A) and B(B)	347.94	359.78	163.47
(b)	Trade Payables	E			
	(i) total outstanding dues of micro enterprises and small enterprises; and		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.		445.14	260.93	384.85
(c)	Other Current Liabilities	F	2.48	1.19	0.03
(d)	Short Term Provisions		23.87	1.33	1.39
			<b>819.43</b>	<b>623.23</b>	<b>549.74</b>
	Total		<b>1,449.34</b>	<b>975.15</b>	<b>898.33</b>
<b>B)</b>	<b>ASSETS</b>				
<b>1.</b>	<b>Non-Current Assets</b>				
(a)	Property, Plant & Equipment and Intangible Assets				
	i) Tangible Assets				
	(i) Gross Block	G	567.23	443.45	442.43
	(ii) Depreciation		86.72	64.12	44.50
	(iii) Net Block		480.51	379.33	397.94
				-	-
	ii) Intangible Assets			-	-
	(i) Gross Block			-	-
	(ii) Depreciation			-	-
	(iii) Net Block			-	-
	iii) Capital Work in Progress			-	-
			<b>480.51</b>	<b>379.33</b>	<b>397.94</b>
(b)	Non-Current Investment	H	<b>31.71</b>	15.23	14.49
(c)	Deferred Tax Assets (Net)	C	-	-	-
(d)	Long Term Loans and Advances	I	27.48	11.28	10.45
(e)	Other Non-Current Assets	J	-	-	-
			<b>59.19</b>	<b>26.50</b>	<b>24.94</b>
<b>2.</b>	<b>Current Assets</b>				
(a)	Inventories	K	<b>531.80</b>	263.88	243.36
(b)	Trade Receivables	L	<b>333.62</b>	297.09	235.17
(b)	Cash and Cash equivalents	M	<b>4.10</b>	4.51	5.67
(c)	Short-Term Loans and Advances	N	34.48	3.84	(8.75)
(d)	Other Current Assets	O	5.63	-	-
			<b>909.63</b>	<b>569.32</b>	<b>475.45</b>
	<b>Total</b>		<b>1,449.34</b>	<b>975.15</b>	<b>898.33</b>



**ANNEXURE II**  
**RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS**

(Amount in Rs. Lakhs)

Sr. No.	PARTICULARS	Annexure No	For the Year ended on		
			3/31/2023	3/31/2022	3/31/2021
1	Revenue From Operation	P	1,751.79	1,587.95	1,211.78
2	Other Income	Q	4.14	2.68	1.02
3	Total Income (1+2)		1,755.93	1,590.63	1,212.81
4	Expenditure				
(a)	Cost of Goods Sold	R	1,493.16	1,263.08	993.83
(b)	Purchases of Stock in Trade		-	-	-
(c)	Changes in inventories of finished goods.	S	(190.73)	8.56	(3.92)
(d)	Employee Benefit Expenses	T	26.26	29.62	29.04
(e)	Finance Cost	U	56.54	48.83	49.92
(f)	Depreciation and Amortisation Expenses	V	22.60	19.63	21.03
(g)	Other Expenses	W	217.42	196.37	115.54
5	Total Expenditure 4(a) to 4(d)		1,625.25	1,566.08	1,205.44
6	Profit/(Loss) Before Exceptional & extraordinary items & Tax (3-5)		130.69	24.55	7.36
7	Exceptional item		0.00	0	0
8	Profit/(Loss) Before Tax (6-7)		130.69	24.55	7.36
9	Tax Expense:				
(a)	Tax Expense for Current Year		22.01	-	-
(b)	Short/(Excess) Provision of Earlier Year				
(c)	Deferred Tax		5.29	4.77	5.79
	Net Current Tax Expenses		27.31	4.77	5.79
<b>10</b>	<b>Profit/(Loss) for the Year (8-9)</b>		<b>103.38</b>	<b>19.77</b>	<b>1.57</b>

**ANNEXURE III**  
**RESTATED STANDALONE CASH FLOW STATEMENT**

(Amount in Rs. Lakhs)

PARTICULARS	Annexure No	For the Year ended on		
		3/31/2023	3/31/2022	3/31/2021
<b>A) Cash Flow From Operating Activities:</b>				
Net Profit before tax		130.69	24.55	7.36
Adjustment for :				
Depreciation		22.60	19.63	21.03
Interest Paid		56.54	48.83	49.92
Provision of Gratuity		0.73	0.82	0.36
Loss/(Profit) on Sale of Asset				
Interest Income		(0.85)	(0.81)	(0.98)
Adjustment with the Retained earnings		-	-	-
<b>Operating profit before working capital changes</b>		<b>209.70</b>	<b>93.01</b>	<b>77.69</b>
Changes in Working Capital				
(Increase)/Decrease in Inventory		(267.92)	(20.52)	(10.91)
(Increase)/Decrease in Trade Receivables		(36.54)	(61.92)	113.89
(Increase)/Decrease in Short Term Loans & Advances and Provisions		(30.64)	(12.59)	20.56
(Increase)/Decrease in Other Current Assets		(5.63)	-	-
Increase/(Decrease) in Trade Payables		184.21	(123.92)	(101.17)
Increase/(Decrease) in Other Current Liabilities		1.29	1.16	(0.42)
Increase/(Decrease) in Short Term Provisions		21.97	(0.08)	(5.95)
<b>Cash generated from operations</b>		<b>76.44</b>	<b>(124.86)</b>	<b>93.70</b>
Less:- Income Taxes paid		(22.01)	-	-
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>54.42</b>	<b>(124.86)</b>	<b>93.70</b>
<b>B) Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets including of CWIP		(123.78)	(1.02)	(4.08)
Long term Investment made/Sold during the year		(16.48)	(0.73)	(0.90)
Increase/(Decrease) in Long Term Loans and Advances		(16.21)	(0.83)	(8.82)
Increase/(Decrease) in Other Non-Current Assets		-	-	-
Interest Income		0.85	0.81	0.98
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(155.61)</b>	<b>(1.77)</b>	<b>(12.83)</b>
<b>C) Cash Flow From Financing Activities:</b>				
Proceeds from Issue of Share Capital		-	-	-
Increase/(Decrease) in Short Term Borrowings		(11.83)	196.30	(2.83)
Interim Dividend and Dividend Distribution Tax Paid				
Increase/(Decrease) in Long Term Borrowings		169.16	(22.01)	(45.81)
Interest Paid		(56.54)	(48.83)	(49.92)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>100.78</b>	<b>125.47</b>	<b>(98.56)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(0.40)</b>	<b>(1.17)</b>	<b>(17.69)</b>
Cash equivalents at the beginning of the year		4.51	5.67	23.37
Cash equivalents at the end of the year		4.10	4.51	5.67

**Notes: -**

	PARTICULARS	3/31/2023	3/31/2022	3/31/2021
1.	Component of Cash and Cash equivalents			
	Cash on hand	2.95	2.31	1.66
	Balance With banks	1.15	2.19	4.01
	Other Bank Balance	-	-	-
		<b>4.10</b>	<b>4.51</b>	<b>5.67</b>
2.	Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.			

## ANNEXURE-IV

### SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS

#### A. BACKGROUND

Our Company was originally incorporated as a public limited company under the name and style of “Kahan Packaging Limited” at Maharashtra, Mumbai, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 19, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. We commenced commercial operations pursuant to a Certificate of Commencement of Business dated March 14, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U36100MH2013PLC240584.

#### B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Statement of Assets and Liabilities of the Company as on March 31, 2023, March 31, 2022, and March 31, 2021 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021 and the annexure thereto (collectively, the “**Restated Financial Statements**”) have been extracted by the management from the Audited Financial Statements of the Company.

The financial statements of the company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises the Accounting Standards notified u/s S.133 read with S.469 of the Companies Act, 2013. The accounting policies have been framed, keeping in view the fundamental accounting assumptions of Going Concern, Consistency and Accrual, as also basic considerations of Prudence, Substance over form, and Materiality. These have been applied consistently, except where a newly issued accounting standard is initially adopted or a revision in the existing accounting standards require a revision in the accounting policy so far in use. The need for such a revision is evaluated on an ongoing basis.

The Financial Statements have been prepared on a going concern basis, in as much as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services, and the time between the acquisition of assets and realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities

##### 2. USE OF ESTIMATES

The preparation of financial statements required the management to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

##### 3. PROPERTY, PLANT AND EQUIPMENTS

- (i) All Property, Plant & equipment are carried at cost. The cost comprises of acquisition cost and any attributable cost of bringing the asset to the condition for its intended use.
- (ii) Depreciation on Fixed Assets is provided based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013 as per SLM Method. Depreciation on addition to asset or on sale/Discernment of Asset is calculated Pro rata from the month of such addition or up to the month of such sale/ discernment, as the case may be.

Effective From 01/04/2019, the company changed its method of computing Depreciation from WDV methods to the straight-line method as per Company’s Act, 2013 for the company’s Property, Plant & Equipment. Based on the statement of Financial Accounting standards, the company determined that the change in depreciation method from WDV method to straight line method is a change in accounting estimate affected by a change in accounting principle to be applied prospectively. The change is needed to reflect the pattern of usage and the expected benefits of such assets and provide greater consistency with the depreciation method used by other company in similar industry.

(iii) Carrying amount of cash generating units/assets are reviewed at balance sheet date to determine whether there is any impairment. If any such indication exists the recoverable amount is estimated as the higher of net realizable price and value in use. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

(iv) All Intangible Assets are measured at cost and amortized so as to reflect the pattern in which the assets economic benefits are consumed. Preoperative Expenses capitalized are amortized over useful life of ten years equally commencing from the year in which the commercial production commenced.

#### **4. DEPRECIATION**

Depreciation on tangible assets is calculated on a SLM method using the rates arrived at, based on the useful lives as per Companies Act 2013. Intangible assets, if any, are amortized on a straight-line basis over the estimated useful economic life.

#### **5. FOREIGN EXCHANGE TRANSACTIONS:**

- Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.
- In respect of forward exchange contracts the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the period of the contract.
- Gains or losses on cancellation / settlement of forward exchange contracts are recognized as income or expense.

#### **6. BORROWING COSTS**

Borrowing Costs that are directly attributable to acquisition or construction of assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of the time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

#### **7. IMPAIRMENT OF ASSETS**

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are subject to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, loss is recognized.

#### **8. INVESTMENTS**

Long term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at cost or fair value whichever is lower.

#### **9. REVENUE RECOGNITION**

- Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- Revenue from sale of goods is recognized when the significant risk and rewards are transferred as per the terms of sale. Revenues are recorded at invoice value.
- Income in respect of interest, insurance claims, export benefits, subsidy etc. is recognized to the extent the company is reasonably certain of its ultimate realization.

#### **10. Inventories:**

- Raw materials, packing material, consumables are valued at lower of cost or net realizable value
- Work in process and finished goods are valued at lower of cost and net realizable value. Work-in process and finished goods include cost of raw material, labour, conversion costs and other costs incurred in bringing the inventories to their present location and condition.
- Cost of inventories is computed on a first in first out basis.

## 11. EMPLOYEE BENEFITS

### i. Short term Employee Benefits:

All short term employee benefit plans such as salaries, wages, bonus, leave encashment and medical benefits which fall due within 12 months 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 profit & loss account.

### ii. Long term Employee benefits:

The Company has opted to change the policy of accounting of Gratuity, and during the restatement, Company has accounted all gratuity expenses basis of actuarial valuation certificate as obtained at every period/year ended.

Provident Fund benefit to employees is provided for on accrual basis and charged to Profit and Loss Account.

## 12. SEGMENT ACCOUNTING

The Company is engaged only in the Packaging business hence has only single reportable business segment in the context of Accounting Standard 17 on Segment Reporting. Therefore, no separate segment disclosures are made by the Company.

## 13. ACCOUNTING FOR TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more year. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

## 14. AMORTIZATION OF INTANGIBLE ASSETS:

- All Intangible Assets are measured at cost and amortized so as to reflect the pattern in which the assets economic benefits are consumed.
- Preoperative Expenses capitalized are amortized over useful life of ten years equally commencing from the year in which the commercial production commenced.

## 15. CONTINGENT LIABILITIES AND PROVISIONS

- A provision is recognized when the Company has a present obligation as a result of a past event,
- It is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date.  
A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.
- Contingent Assets are neither recognized nor disclosed in the financial statements.

## 16. ACCOUNTING FOR OPERATING LEASE:

The Company has various operating leases for premises; the leases are renewable on fixed periodic basis and are cancellable in nature after lock in period.

## 17. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Further The effect of bonus issue is eliminated by incorporating the bonus shares adjustment in the calculation of weighted average shares during restatement period.

**18. CASH FLOW:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

**C. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS**

There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statement, except:

- 1) Accounting of retirement benefits was accounted on cash basis which is not as per AS-15 (Revised) "Employee benefits", however during the restatement Company has accounted such retirement benefits basis actuarial valuation certificate.
- 2) Company was following the Inclusive method of Accounting (Indirect Tax GST was included in Statement of Profit and Loss and Inventory), however during the restatement Company following the excluding method of accounting and that is regarded as change in accounting policy as per ICAI Guidance Note. Necessary effect and disclosure is given in Restated financials.

**D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

1. The financial statements including other financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been reported to the extent of information memorandum received from the suppliers.
3. **Employee benefits:**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

*(Amount in Rs. Lakhs)*

Particulars	31-03-2023	31-03-2022	31-03-2021
<b>1.The amounts recognized in the Balance Sheet are as follows:</b>			
Present value of unfunded obligations Recognized	3.78	3.05	2.23
<b>Net Liability</b>	<b>3.78</b>	<b>3.05</b>	<b>2.23</b>
<b>2.The amounts recognized in the Profit &amp; Loss A/c are as follows:</b>			
Current Service Cost	0.22	0.40	0.33
Interest on Defined Benefit Obligation	0.53	0.17	0.14
Expected Return on Plan Assets	-	-	-
Net actuarial losses (gains) recognised in the year	(0.02)	0.25	(0.12)
Total, Included in "Salaries, Allowances & Welfare"	<b>0.73</b>	<b>0.82</b>	<b>0.36</b>
<b>3.Changes in the present value of defined benefit obligation:</b>			
Defined benefit obligation as at the beginning of the year/period Net of Fair Value of Opening Plan Assets	3.05	2.23	1.88
Service cost	0.22	0.40	0.33
Interest cost	0.53	0.17	0.14
Expected Return on Plan Assets	-	-	-
Net actuarial losses (gains) recognised in the year	(0.02)	0.25	(0.12)
Benefit paid by the Company	-	-	-
<b>Defined benefit obligation as at the end of the year/period</b>	<b>3.78</b>	<b>3.05</b>	<b>2.23</b>
<b>Benefit Description</b>			
Benefit type:		Gratuity Valuation as per Act	
Retirement Age:	<b>60 years</b>	<b>60 years</b>	<b>60 years</b>

Vesting Period:	<b>5 years</b>	<b>5 years</b>	<b>5 years</b>
<b>The principal actuarial assumptions for the above are:</b>			
Future Salary Rise:	<b>5.00%P.A</b>	<b>5.00%P.A</b>	<b>5.00%P.A</b>
Discount rate per annum:	<b>7.50%P.A</b>	<b>7.25%P.A</b>	<b>7.50%P.A</b>
Attrition Rate:	5% Per Annum		
Mortality Rate:	IALM 2012-14 Ultimate		

#### 4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period except as mentioned in Annexure -AB, for any of the years covered by the statements.

#### 5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – Y of the enclosed financial statements.

#### 6. Accounting for Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is reported as under:

*(Amount in Rs. Lakhs)*

Particulars	As at		
	31-03-2023	31-03-2022	31-03-2021
Major Components of deferred tax arising on account of timing differences are:			
Timing Difference Due to Depreciation	(111.42)	(90.33)	(71.15)
Deferred Tax Assets/(Liabilities) (A)	(28.97)	(23.49)	(18.50)
Provision of Gratuity as at the year end	3.78	3.05	2.23
Timing Difference Due to Gratuity Expenses	3.78	3.05	2.23
Deferred Tax Assets/(Liabilities) (B)	0.98	0.79	0.58
<b>Cumulative Balance of Deferred Tax Assets/(Liability) (Net) (A+B)</b>	<b>(27.99)</b>	<b>(22.69)</b>	<b>(17.92)</b>

#### 7. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure –X of the enclosed financial statements.

#### 8. Realizations:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these Restated financials has used internal and external sources on the expected future performance of the Company and management expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company’s assets in future may differ from that estimated as at the date of approval of these restated Financials.

#### 9. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

#### 10. Amounts in the financial statements

Amounts in the financial statements are reported in Indian Rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

**11. Auditors Qualifications –**

Details of Auditors qualifications and their impact on restated financial statement is given below.

## a) Qualification which required adjustment in restated financial statements

Financial Year	Audit Qualifications	Remark
FY 2020-21	NIL	Not Applicable
FY 2021-22	NIL	
FY 2022-23	NIL	

## b) Qualification which does not require adjustment in restated financial statements – Details given below

Financial Year	Audit Qualifications
FY 2020-21	NIL
FY 2021-22	NIL
FY 2022-23	NIL

**ANNEXURE-V****MATERIAL ADJUSTMENTS [AS PER THE ICDR] REGULATION]**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013, and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective years and their impact on the profit /(losses) of the Company is as under.

**Statement of adjustments in the Financial Statements****Reserves and Surplus****(Amount in Lakhs Rs.)**

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Reserves and Surplus as per audited accounts but before adjustments for restated accounts:	119.33	68.92	51.92
Add: Cumulative Adjustment made in Statement of Profit and Loss Account	(17.87)	(20.83)	(23.60)
Adjustment with the Opening Reserves as on 01-04-2019	(28.56)	(28.56)	(28.56)
<b>Net Adjustment in Profit and Loss Account</b>	<b>(46.43)</b>	<b>(49.39)</b>	<b>(52.17)</b>
<b>Reserves and Surplus as per Restated Accounts:</b>	<b>72.91</b>	<b>19.53</b>	<b>(0.25)</b>

**Statement of Profit and Loss after Tax**

The reconciliation of Profit/(loss) after tax as per audited results and the Profit/(loss) after tax as per Restated accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the respective year profit & losses of the company.

**(Amount in Lakhs Rs.)**

Particulars	31-03-2023	31-03-2022	31-03-2021
Net Profit/(loss) after Tax as per audited accounts but before adjustments for restated accounts:	100.42	17.00	16.66
Less: Capital Subsidy accounted as Other Income on mercantile basis	-	(9.23)	-
Less: Provision for Gratuity booked as per AS -15(Revised)	3.05	(0.82)	(0.36)
Short/(Excess) Provision for Deferred Tax Assets	0.01	0.04	(3.10)
(Short)/Excess Provision for Income Tax	(0.11)	0.08	0.32
Add/(less) Professional Tax Prior Year Restated	-	-	0.15
Less: Elimination of GST included in Revenue	(315.37)	(284.01)	(217.02)
Add: Elimination of GST included in Purchases	309.45	239.40	178.45



Add: Elimination of GST included in Indirect Expenses	37.55	60.76	11.55
Add/(Less): Impact of GST Exclusion in Inventory	(31.62)	(3.46)	14.32
Add/(Less): GST Paid for Earlier Years	-	-	0.59
<b>Net Adjustment in Profit and Loss Account</b>	<b>2.96</b>	<b>2.77</b>	<b>(15.10)</b>
<b>Net Profit/(Loss) After Tax as per Restated Accounts:</b>	<b>103.38</b>	<b>19.77</b>	<b>1.57</b>

**a) Adjustment of Gratuity Expenses**

Company had accounted gratuity on cash basis, however during the restatement, Company has complied with the requirement of AS – 15 (Revised) “Employee Benefits” and accordingly booked Gratuity expenses basis of actuarial valuation report.

**b) Adjustment on account of Provision of Deferred Tax Assets:**

Due to Provision for Gratuity (Employee benefits), Difference of WDV of Fixed Assets as per Companies Act, 2013 and Income Tax Act, 1961 during the period of restatement, The Company has recalculated the deferred tax liability and deferred tax assets at the end of respective year ended at the rate of normal Tax rate applicable at the end of relevant year. For more details refer table of Reconciliation of Statement of Profit and loss as above.

**c) Provision of Income Tax (Current/Prior Period):**

During the restatement, the Income tax provision was recalculated on restated Profit/(Loss) of respective year as per the prevailing tax rates, accordingly the effect of revised income tax provision has been made in the Restated Statement of Profit and Loss account. Short/(Excess) provision has adjusted in respective year/period. For More details, refer Annexure AA enclosed with the Restated Financial Statement.

**d) Capital Subsidy Credited to Profit and Loss Account**

During the restatement, Company has observed that in FY 2021-22 Rs. 9.23 Lakhs towards Capital subsidy was wrongly credited to Other Income in Statement of Profit and loss on accrual basis, however during restatement, Company has rectified and removed the income on conservative principal of accounting and given necessary impact in restated financials.

**e) GST inclusive accounting in Audited financials**

During Restatement, Company observed that GST was erroneously included in Inventory, Revenue from Operation, Purchases and Indirect Expenses. During the Restatement, the same has been transferred to duties and taxes and necessary effect in Inventory, Revenue from Operation, Purchases, Indirect Expenses and Duties & taxes (Statement of Assets and Liabilities) has been given. GST component of Opening stock i.e. 01-04-2019 has been adjusted in retained earnings as on 01-04-2019.

**f) Accounting of Prior Period Expenses:**

During the restatement of Expenses booking has been reconsidered basis of the year to which expenses is pertaining to and accordingly all prior period expenses has been charged to Restated Statement of Profit and Loss account of respective years. It also includes sundry balances written off, excess booking of expenses.

**For R K Jagetiya & CO.**

Chartered Accountant

FRN: 146264W

Sd/-

**Ravi K Jagetiya)**

Proprietor

M. No. 134691

Place: Mumbai

Date: 10<sup>th</sup> August, 2023

UDIN: 23134691BGWLQB6516

**ANNEXURE – A**  
**RESTATED STANDALONE STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**  
*(Amt. in Rs. Lakhs, Except Share Data)*

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Share Capital</b>			
<b>Authorized Share Capital</b>			
No of Equity shares of Rs.10 each	2,000,000	2,000,000	2,000,000
Equity Share Capital	200.00	200.00	200.00
<b>Issued, Subscribed and Paid up Share Capital</b>			
No of Equity Shares of Rs. 10 each fully paid up	1,000,000	500,000	500,000
Equity Share Capital	100.00	50.00	50.00
<b>Total</b>	<b>100.00</b>	<b>50.00</b>	<b>50.00</b>
<b>Reserves and Surplus</b>			
<b>Surplus in Profit and Loss account</b>			
Opening Balance	19.53	(0.25)	(1.81)
Profit for the Year	103.38	19.77	1.57
Less: Interim Dividend			
Less: Dividend Distribution Tax			
Less: Adjustment on Account of prior period Income Tax	-	-	-
Less: Reduction on account of Bonus Issue	(50.00)	-	-
<b>Closing Balance</b>	<b>72.91</b>	<b>19.53</b>	<b>(0.25)</b>

## 1. Terms/rights attached to equity shares:

- i. The company has only one class of shares referred to as equity shares having a par value of Rs. 10/- as at 31st March, 2023.
- ii. Each holder of equity shares is entitled to one vote per share.
- iii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- iv. Pursuant to shareholder's resolution dated 25th April, 2023 the authorized share capital of the company be increased from Rs 2,00,00,000 (Rupees Two Crore only) divided in to 20,00,000 equity shares of Rs 10/- each to Rs 5,00,00,000 (Rupees Five crore only) divided in to 50,00,000 equity shares of Rs 10/- each ranking pari-passu with the existing share capital.
- v. Pursuant to director's resolution dated on 22th March, 2023 and shareholder's consent dated 18th March, 2023 bonus issue of 5,00,000 equity shares of face value of Rs 10/- in the ratio 1:1 i.e. one (1) bonus equity shares for every one (1) equity share held by shareholder.
- vi. Pursuant to director's resolution dated on 15th June, 2023 company has made allotment through right issue of 10,00,000 equity shares of face value of Rs 10/-

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.

4. The reconciliation of the number of Equity shares outstanding as at: -

Particulars	3/31/2023	3/31/2022	3/31/2021
Number of shares (Face value Rs 10) at the beginning	500,000	500,000	500,000
Add: Issue of Shares (Face value Rs 10)	500,000	-	-
Add: Bonus Shares	-	-	-
Number of shares (Face value Rs 10) at the end of Period/year	1,000,000	500,000	500,000

5. The detail of shareholders holding more than 5% of Total Equity Shares: -

Name of Shareholders	3/31/2023	3/31/2022	3/31/2021
Prashant Jitendra Dholakia	330,000	165,000	165,000
Rohit Jitendra Dholakia	330,000	165,000	165,000
Jagruiti Rohit Dholakia	80,500	80,500	80,500
Purvi Prashant Dholakia	84,500	84,500	84,500
Anvi Dholakia	8,000	4,000	4,000

8. Shares held by promoters at the end of the respective year is as under

8a) Shares held by promoters at the period ended 31st March 2023			% Change during the year
Promoter Name	No. of Shares (Face	% of total	

	Value Rs. 10/- each)	shares	
Prashant Jitendra Dholakia	330,000	12.22%	0.00%
Rohit Jitendra Dholakia	330,000	12.22%	-20.78%
<b>Total</b>	<b>660,000</b>		
<b>8b) Shares held by promoters at the end of the year 31st March 2022</b>			
Promoter Name	No. of Shares (Face Value Rs. 10/- each)	% of total shares	% Change during the year
Prashant Jitendra Dholakia	165,000	33.00%	0.00%
Rohit Jitendra Dholakia	165,000	33.00%	0.00%
<b>Total</b>	<b>330,000</b>		
<b>8c) Shares held by promoters at the end of the year 31st March 2021</b>			
Promoter Name	No. of Shares (Face Value Rs. 10/- each)	% of total shares	% Change during the year
Prashant Jitendra Dholakia	165,000	33.00%	33.00%
Rohit Jitendra Dholakia	165,000	33.00%	33.00%
<b>Total</b>	<b>330,000</b>		

**ANNEXURE – B**  
**RESTATED STANDALONE STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>(Secured)</b>			
<b>(a) Term loans</b>			
From Bank & Financial Institutions	287.18	126.58	199.88
<b>Sub-total (a)</b>	<b>287.18</b>	<b>126.58</b>	<b>199.88</b>
<b>(Unsecured)</b>			
<b>(b) Term loans</b>			
From Bank & Financial Institutions	-	(0.00)	7.47
From Others	-	-	-
<b>Sub-total (b)</b>	<b>-</b>	<b>(0.00)</b>	<b>7.47</b>
<b>(c) Loans and advances from related parties &amp; shareholders (Unsecured)</b>			
From Directors	138.78	130.23	71.48
<b>Sub-total (c)</b>	<b>138.78</b>	<b>130.23</b>	<b>71.48</b>
<b>(d) Loans and advances from others (Unsecured)</b>			
From Intercompany deposits	-	-	-
<b>Sub-total (d)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (a+b+c+d)</b>	<b>425.96</b>	<b>256.80</b>	<b>278.82</b>
Short Term Borrowings			
<b>Secured</b>			
<b>Loan Repayable on Demand</b>			
From Banks and Financial Institution	282.14	275.63	48.42
From Other Parties	-	-	-
<b>Subtotal (a)</b>	<b>282.14</b>	<b>275.63</b>	<b>48.42</b>
Current Maturities of Long Term Debt	65.80	84.14	115.06
<b>Subtotal (b)</b>	<b>65.80</b>	<b>84.14</b>	<b>115.06</b>
<b>Total (a+b)</b>	<b>347.94</b>	<b>359.78</b>	<b>163.47</b>

**Note:**

- List of persons/entities classified as 'Promoters' and 'Promoter Group' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- The terms and conditions and other information in respect of Secured Loans are given in Annexure -B (A)
- The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - B (B)

## ANNEXURE – B(A)

## RESTATED STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED TERMS LOANS AND ASSETS CHARGED AS SECURITY

Name of Lender	Purpose of Credit Facility	Sanctioned Amount (Lakhs Rs.)	Rate of interest	Prime Securities offered	Re-Payment Schedule		Moratorium (In Months)	Outstanding amount as on (as per Books) (Rs. Lakhs)		
					No of EMI (No of Months)	EMI Amount (Rs. In Lakhs)		3/31/2023	3/31/2022	3/31/2021
The Shamrao Vitthal Co-op Bank (Machine Loan)	Purchase of Plant & Machinery	53.00	10.60 %	Plant & Machinery	84 equated monthly instalments	0.90	Nil	-	-	47.27
The Shamrao Vitthal Co-op Bank (Machinery Loan)	Purchase of Plant & Machinery	61.50	10.40 %	Plant & Machinery	84 equated monthly instalments	1.03	Nil	-	-	51.75
The Shamrao Vitthal Co-op Bank (Factory Premises Loan)	Factory Building	175.50	10.40 %	Factory Building	84 equated monthly instalments	2.94	Nil	-	-	147.68
Bank of India TL - (Factory Premises)	Term Loan	100.00	8.80 %	Factory Building	50 equated monthly instalments	2.34	Nil	75.69	95.97	-
Bank of India TL - (Machinery)	Term Loan	44.01	8.80 %	Plant & Machinery	50 equated monthly instalments	1.10	Nil	32.28	42.10	-
Bank of India TL - (Machinery)	Term Loan	41.68	8.80 %	Plant & Machinery	56 equated monthly instalments	0.91	Nil	32.45	40.13	-
Bank of India - GECL	Term Loan	88.00	8.90 %	Stock and Book Debts	36 equated monthly instalments	2.79	24 Months	88.00	-	-
SIDBI	Term Loan	122.72	8.25 %	Plant & Machinery	54 equated monthly instalments	2.27	6 months	122.32	-	-
Bank of India - Cash Credit	Working Capital - Cash Credit	300.00	8.80 %	Stock and Book Debts	Repayable on Demand	NA		282.14	275.63	-
The Shamrao Vitthal Co-op Bank	Working Capital - Cash Credit	50.00	10.40 %	Stock and Book Debts	Repayable on Demand	NA		0	0	48.42
<b>Total</b>								<b>632.89</b>	<b>453.83</b>	<b>295.11</b>

**Note:**

Collateral Security for the Term/working capital facility granted by Bank of India is as under:

- A. Registered Mortgage of Land and Building situated at Plot No.23, Amalgamated Industrial Complex, Mumbai Nashik Road, Near Diamond Retreat Hotel, Village - Asangaon, Taluka - Shahapur, Thane – 421601
- B. Hypothecation of Plant & Machinery situated at Plot No.23, Amalgamated Industrial Complex, Mumbai Nashik Road, Near Diamond Retreat Hotel, Village - Asangaon, Taluka - Shahapur, Thane – 421601

Further the Credit facilities by Bank of India is having personal guarantee of A) Rohit J Dholakia, B) Jagruti R Dholakia, C) Prashant J Dholakia, and D) Purvi P Dholakia.

**ANNEXURE – B(B)**  
**RESTATED STANDALONE STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

Unsecured Loans from Promoters/Directors are interest free and all are taken without any preconditions attached towards repayments.

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as at (Amount in Rs. Lakhs)		
					3/31/2023	3/31/2022	3/31/2021
Federal Bank Financial Services	Business Loan	18.00%	25 total installments, first being Rs. 0.10 Lakhs & rest 24 for Rs. 1.50 Lakhs each	NA	-	-	15.08
HDFC Bank Ltd(98275094)	Business Loan	16.50%	36 Monthly EMI of Rs.0.89 Lakhs		-	8.98	17.35
HDFC Bank Ltd(8216858)	Business Loan	8.25%	36 Monthly EMI of Rs. 0.16 Lakhs		2.23	3.86	5.00
ICICI Bank	Business Loan	17.50%	36 Monthly EMI of Rs. 0.54 Lakhs		-	5.45	10.48
Aditya Birla Finance Ltd	Business Loan	18.50%	36 Monthly EMI of Rs. 0.91 Lakhs		-	9.14	17.51
Bajaj Finance Ltd	Business Loan	18.00%	36 Monthly EMI of Rs.0.55 Lakhs (First EMI Rs.0.46 Lakhs )		-	5.09	10.27
Jagruti Dholakia	Business Loan	NIL	Payable on Demand		22.41	42.00	28.50
Purvi Dholakia	Business Loan	NIL	Payable on Demand		63.64	35.50	23.25
Rohit Dholakia	Business Loan	NIL	Payable on Demand		52.72	52.72	19.72
<b>Total</b>					<b>141.01</b>	<b>162.75</b>	<b>147.18</b>

**ANNEXURE – B1**  
**RESTATED STANDALONE STATEMENT OF OTHER LONG TERM LIABILITIES**

*(Amount in Rs. Lakhs)*

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
None			
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – C**  
**RESTATED STANDALONE STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

*(Amount in Rs. Lakhs)*

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
Major Components of deferred tax arising on account of timing differences are:			
Timing Difference Due to Depreciation	(111.42)	(90.33)	(71.15)
Deferred Tax Assets/(Liabilities) (A)	(28.97)	(23.49)	(18.50)
Provision of Gratuity as at the year end	3.78	3.05	2.23
Timing Difference Due to Gratuity Expenses	3.78	3.05	2.23
Deferred Tax Assets/(Liabilities) (B)	0.98	0.79	0.58
<b>Cumulative Balance of Deferred Tax Assets/(Liability) (Net) (A+B)</b>	<b>(27.99)</b>	<b>(22.69)</b>	<b>(17.92)</b>

**ANNEXURE – D**  
**RESTATED STANDALONE STATEMENT OF LONG TERM PROVISIONS**

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Provision for Employee Benefits</b>			
Provision for Gratuity	3.05	2.90	2.11
Others	-	-	-
<b>Total</b>	<b>3.05</b>	<b>2.90</b>	<b>2.11</b>

**ANNEXURE – E**  
**RESTATED STANDALONE STATEMENT OF TRADE PAYABLES**

(Rs. in Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Trade Payables</b>			
<b>For Goods &amp; Services</b>			
Micro, Small and Medium Enterprises	-	-	-
Others	445.14	260.93	384.85
<b>Total</b>	<b>445.14</b>	<b>260.93</b>	<b>384.85</b>
Trade Payable Includes Dues to Related Party	0.00	-	-

**Notes:**

- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.
- Ageing of the Supplier, along with any amount involved in disputes as required by Schedule III of Companies Act, 2013 is disclosed below after it becomes due for payment. In case of no credit terms defined the break-up of age wise supplier balance is given below after considering from the date of transactions.

**Trade Payables ageing schedule: As at 31st March, 2023**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	442.92	2.06	-	0.16	445.14
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables ageing schedule: As at 31st March, 2022**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	260.15	-	0.78	-	260.93
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables ageing schedule: As at 31st March, 2021**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	328.86	55.99	-	-	384.85
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**ANNEXURE – F**  
**RESTATED STANDALONE STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS**

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Other Current Liabilities</b>			
<b>Accrued Interest but not due</b>	-	-	-
Statutory Payables	2.48	0.97	0.03
Advances Received from Customers	-	0.22	-
Provision for expenses	-	-	-
<b>Total</b>	<b>2.48</b>	<b>1.19</b>	<b>0.03</b>
<b>Short Term Provisions</b>			
Provision for Employee Benefits	1.43	2.40	2.40
Provision for Gratuity	0.73	0.15	0.12
Other Provisions	0.92	-	-
	<b>3.08</b>	<b>2.55</b>	<b>2.52</b>
<b>Other Provisions</b>			
Income tax Provisions net of Advance tax and TDS	20.79	(1.22)	(1.14)
<b>Total</b>	<b>23.87</b>	<b>1.33</b>	<b>1.39</b>

## ANNEXURE – G

## RESTATED STANDALONE STATEMENT OF PROPERTY, PLANT &amp; EQUIPMENT AND INTANGIBLE ASSETS

FY 2020-21

(Amount in Lakhs Rs.)

Name of Assets Particulars	Gross Block				Depreciation and Amortization					Net Block	
	Value as at 01-04-2020	Addition during the year	Deduction during the year	Value as at 31-03- 2021	Value as at 01- 04-2020	Addition during the year	Retained Earning	Deduction during the year	Value as at 31-03- 2021	WDV as on 31-03- 2021	WDV as on 31-03- 2020
<b>Property, Plant and Equipment</b>											
Factory Premises- Asangaon	273.81	1.67	-	275.48	10.56	9.04	-	-	19.60	255.88	263.25
Electrical Installations	1.30	-	-	1.30	0.15	0.14	-	-	0.29	1.01	1.15
Plant and Equipment	160.81	-	-	160.81	11.72	10.97	-	-	22.69	138.12	149.09
Computer & Software	1.07	1.21	-	2.28	0.63	0.34	-	-	0.97	1.31	0.44
Office Equipment's	1.36	1.20	-	2.56	0.40	0.55	-	-	0.95	1.61	0.96
Vehicles	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>438.35</b>	<b>4.08</b>	<b>-</b>	<b>442.43</b>	<b>23.47</b>	<b>21.03</b>	<b>-</b>	<b>-</b>	<b>44.50</b>	<b>397.94</b>	<b>414.88</b>
<b>Previous Year</b>	<b>347.14</b>	<b>91.21</b>	<b>-</b>	<b>438.35</b>	<b>16.79</b>	<b>17.08</b>	<b>(10.41)</b>	<b>-</b>	<b>23.47</b>	<b>414.88</b>	<b>330.35</b>

FY 2021-22

(Amount in Lakhs Rs.)

Name of Assets Particulars	Gross Block				Depreciation and Amortization					Net Block		
	As on 1-Apr-21	Addition During the year	Deduction During the year	As on 31-Mar-22	As on 1-Apr-21	for the year	Retained Earning	Deduction during the year	As on 31-Mar-22	As on 31-Mar-22	As on 31-Mar-21	
<b>Property, Plant and Equipment</b>												
Factory Premises- Asangaon	275.48	-	-	275.48	19.60	8.74	-	-	28.33	247.15	255.88	
Electrical Installations	1.30	-	-	1.30	0.29	0.12	-	-	0.41	0.89	1.01	
Plant and Equipment	160.81	0.49	-	161.30	22.69	10.11	-	-	32.80	128.49	138.12	
Computer & Software	2.28	0.25	-	2.53	0.97	0.17	-	-	1.14	1.39	1.31	
Office Equipment's	2.56	0.28	-	2.84	0.95	0.48	-	-	1.43	1.41	1.61	
Vehicles	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>442.43</b>	<b>1.02</b>	<b>-</b>	<b>443.45</b>	<b>44.50</b>	<b>19.63</b>	<b>-</b>	<b>-</b>	<b>64.12</b>	<b>379.33</b>	<b>397.94</b>	
<b>Previous Year</b>	<b>438.35</b>	<b>4.08</b>	<b>-</b>	<b>442.43</b>	<b>23.47</b>	<b>21.03</b>	<b>-</b>	<b>-</b>	<b>44.50</b>	<b>397.94</b>	<b>414.88</b>	



FY 2022-23

(Amount in Lakhs Rs.)

Name of Assets Particulars	Gross Block				Depreciation and Amortization				Net Block		
	As on 1-Apr-22	Addition During the year	Deduction During the year	As on 31-Mar- 23	As on 1-Apr-22	for the year	Retained Earning	Deduction during the year	As on 31-Mar-23	As on 31-Mar-23	As on 31-Mar-22
<b>Property, Plant and Equipment</b>											
Factory Premises- Asangaon	275.48	5.50	-	280.98	28.33	8.87	-	-	37.20	243.78	247.15
Electrical Installations	1.30	-	-	1.30	0.41	0.12	-	-	0.54	0.76	0.89
Plant and Equipment	161.30	117.59	-	278.89	32.80	12.36	-	-	45.17	233.72	128.49
Computer & Software	2.53	0.02	-	2.55	1.14	0.67	-	-	1.81	0.74	1.39
Office Equipment's	2.84	0.67	-	3.51	1.43	0.57	-	-	2.00	1.51	1.41
Vehicles	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	443.45	123.78	-	567.23	64.12	22.60	-	-	86.72	480.51	379.33
<b>Previous Year</b>	442.43	1.02	-	443.45	44.50	19.63	-	-	64.12	379.33	397.94

**ANNEXURE – H**  
**RESTATED STANDALONE STATEMENT OF NON-CURRENT INVESTMENTS**

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Non-Current Investment (At Cost)</b>			
FD- SVC	-	15.23	14.49
FD with SIDBI	31.71	-	-
<b>Total</b>	<b>31.71</b>	<b>15.23</b>	<b>14.49</b>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	31.71	15.23	14.49
Aggregate provision made for diminution in value of investments	-	-	-

**ANNEXURE – I**  
**RESTATED STANDALONE STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Unsecured, Considered Good unless otherwise stated</b>			
Capital Advance	16.30		
Security Deposit	9.21	8.31	7.97
Loans and Advances to Related Parties	-	2.40	2.40
Advance Tax & TDS (Net of Provisions) (Unsecured, Considered Good)	1.98	0.56	0.07
<b>Total</b>	<b>27.48</b>	<b>11.28</b>	<b>10.45</b>

Notes:

1. The Company has not given any loans and advances to promoters, Directors, KMP's and other related parties during the above period.

**ANNEXURE – J**  
**RESTATED STANDALONE STATEMENT OF NON CURRENT ASSETS**

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Unsecured, Considered Good unless otherwise stated</b>			
Other Non-current Assets	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – K**  
**RESTATED STANDALONE STATEMENT OF INVENTORIES**

(Amount in Lakhs Rs.)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
Raw Materials	178.03	100.84	71.76
Work in Progress	217.65	110.62	78.16
Finished Goods	135.37	51.53	92.61
Loose Tools	0.74	0.89	0.83
<b>Total</b>	<b>531.80</b>	<b>263.88</b>	<b>243.36</b>

Note:- 1. Inventory has been physically verified by the management of the Company at the end of respective year.

**ANNEXURE – L**  
**RESTATED STANDALONE STATEMENT OF TRADE RECEIVABLES**

(Amount in Lakhs Rs.)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>			
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-
Others	-	9.71	9.35
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>			
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	22.73	-	-
Others	310.90	287.38	225.82
<b>Total</b>	<b>333.62</b>	<b>297.09</b>	<b>235.17</b>

- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- Ageing of the Trade receivable, along with any amount involved in disputes, if any as required by Schedule III of Companies Act, 2013 is disclosed as below. Ageing of debtors is based on the date of transaction in case there is no credit period agreed at the time of Supply.

**Trade Receivables ageing schedule as at 31st March, 2023**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	310.90	-	-	-	-	310.90
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

**Trade Receivables ageing schedule as at 31st March, 2022**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	289.29	6.81	0.98	-	-	297.09
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

## Trade Receivables ageing schedule as at 31st March, 2021

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	234.52	0.64	-	-	-	235.17
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

## ANNEXURE – M

## RESTATED STANDALONE STATEMENT OF CASH &amp; CASH EQUIVALENTS

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Cash and Cash Equivalents:</b> (as per Accounting Standard 3: Cash flow Statements)			
Balances with Banks in Current Accounts	1.15	2.19	4.01
Cash on Hand (As certified and verified by Management)	2.95	2.31	1.66
Other Bank Balances			
Fixed Deposits (Refer Note 1)	-	-	-
<b>Total</b>	<b>4.10</b>	<b>4.51</b>	<b>5.67</b>

1. According to management, no fixed deposit is having maturity below 3 months, and accordingly basis of their maturity pattern, such fixed deposits shown in current investments.

## ANNEXURE – N

## RESTATED STANDALONE STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Unsecured, Considered Good unless otherwise stated</b>			
Security Deposit	-	-	-
Advances to Vendors	1.73	2.71	6.28
Balance With Revenue Authorities	32.76	1.13	(15.03)
<b>Total</b>	<b>34.48</b>	<b>3.84</b>	<b>(8.75)</b>

1. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

2. The Company has not given any loans and advances to promoters, Directors, KMP's and other related parties during the above period.

**ANNEXURE – O**  
**RESTATED STANDALONE STATEMENT OF OTHER CURRENT ASSETS**

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
Other Current Assets	5.63	-	-
<b>Total</b>	<b>5.63</b>	<b>-</b>	<b>-</b>

**ANNEXURE – Q**  
**RESTATED STANDALONE STATEMENT OF OTHER NON OPERATING INCOME**

(Amount in Rs. Lakhs)

Particulars	for the Period/Year ended on		
	3/31/2023	3/31/2022	3/31/2021
<b>Related and Recurring Income:</b>			
(i) Interest income	0.85	0.81	0.98
(ii) Discount on Freight	3.19	1.10	0.05
-RATE DIFFERENCE	0.03	0.61	0.00
<b>Sub Total (a)</b>	<b>4.07</b>	<b>2.53</b>	<b>1.02</b>
<b>Non related and Non-Recurring Income:</b>			
-EX-Gratia Int. Diff Refund	-	0.16	-
-Sundry Creditor Written off	0.07	-	-
<b>Sub Total (b)</b>	<b>0.07</b>	<b>0.16</b>	<b>-</b>
<b>Total (A+b)</b>	<b>4.14</b>	<b>2.68</b>	<b>1.02</b>
% of Other Income with Profit Before Tax	3.17%	10.93%	13.90%

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

**ANNEXURE – P**  
**RESTATED STANDALONE STATEMENT OF TURNOVER**

(Amount in Rs. Lakhs)

Particulars	for the Period/Year ended on		
	3/31/2023	3/31/2022	3/31/2021
(i) turnover of products manufactured by the issuer (net of excise Duty)	1,751.79	1,587.95	1,211.78
(ii) turnover of products traded in by the issuer; and	-	-	-
*(iii) turnover in respect of products not normally dealt in by the issuer but included in (ii) above	-	-	-
(iv) turnover in respect of Services supplied by the issuer	-	-	-
<b>Total</b>	<b>1,751.79</b>	<b>1,587.95</b>	<b>1,211.78</b>
*As per information provided to us by the Issuer, there is no such item.			

**ANNEXURE – R**  
**RESTATED STANDALONE STATEMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK IN TRADE**

(Amount in Lakhs Rs.)

Particulars	for the period/year ended on		
	3/31/2023	3/31/2022	3/31/2021
<b>Cost of Material Consumed</b>			
Opening Stock of Raw Material	100.84	71.76	64.77
Add: Purchases of Raw Material	1,570.34	1,292.16	1,000.82

Less: Closing Stock of Raw Material	178.03	100.84	71.76
<b>Total</b>	<b>1,493.16</b>	<b>1,263.08</b>	<b>993.83</b>
<b>Purchase of Stock in Trade</b>			
Purchase of Stock in Trade	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – S**  
**RESTATED STANDALONE STATEMENT OF CHANGES IN INVENTORIES**

(Amt. in Lakh Rs.)

Particulars	for the period/year ended on		
	3/31/2023	3/31/2022	3/31/2021
<b>Closing Inventories</b>			
Work in Progress	217.65	110.62	78.16
Finished goods	135.37	51.53	92.61
Loose Tools	0.74	0.89	0.83
<b>Sub Total (A)</b>	<b>353.77</b>	<b>163.04</b>	<b>171.60</b>
<b>Opening Inventories</b>			
Work in Progress	110.62	78.16	78.04
Finished goods	51.53	92.61	88.96
Loose Tools	0.89	0.83	0.68
<b>Sub Total (B)</b>	<b>163.04</b>	<b>171.60</b>	<b>167.68</b>
<b>Changes in Inventories</b>	<b>(190.73)</b>	<b>8.56</b>	<b>(3.92)</b>

1. The Inventory has been physically verified on periodic basis by the management.

**ANNEXURE – T**  
**RESTATED STANDALONE STATEMENT OF EMPLOYEE BENEFITS EXPENSES**

(Amount in Rs. Lakhs)

Particulars	for the Period/Year ended on		
	3/31/2023	3/31/2022	3/31/2021
Salary and Wages	21.64	26.01	23.46
Contribution to Provident Fund and Other Fund	0.73	0.82	0.36
Staff Welfare Expenses	3.89	2.79	5.22
<b>Total</b>	<b>26.26</b>	<b>29.62</b>	<b>29.04</b>

**ANNEXURE – U**  
**RESTATED STANDALONE STATEMENT OF FINANCE COST**

(Amount in Rs. Lakhs)

Particulars	for the Period/Year ended on		
	3/31/2023	3/31/2022	3/31/2021
Interest expense	51.78	39.57	49.92
Other Borrowing cost	4.76	9.26	-
<b>Total</b>	<b>56.54</b>	<b>48.83</b>	<b>49.92</b>

**ANNEXURE – V**  
**RESTATED STANDALONE STATEMENT OF DEPRECIATION & AMORTISATION**

(Amount in Rs. Lakhs)

Particulars	for the Period/Year ended on		
	3/31/2023	3/31/2022	3/31/2021
Depreciation and Amortization Expenses	22.60	19.63	21.03
<b>Total</b>	<b>22.60</b>	<b>19.63</b>	<b>21.03</b>

**ANNEXURE – W**  
**RESTATED STANDALONE STATEMENT OF OTHER EXPENSES**

(Amount in Rs. Lakhs)

Particulars	for the Period/Year ended on		
	3/31/2023	3/31/2022	3/31/2021
Rent, Rates and Taxes	5.66	0.35	1.74
Insurance Expenses	1.75	1.31	2.27
Payment Auditors	0.92	-	0.82
Labour Expenses	32.51	26.70	2.33
Power and Fuel Expenses	108.58	93.86	85.80
Miscellaneous Expenses	68.00	74.15	22.58
<b>Total</b>	<b>217.42</b>	<b>196.37</b>	<b>115.54</b>
<b>Miscellaneous Expenses</b>			
<b>Selling and Administrative Expenses</b>			
AMC Charges	0.42	0.30	0.37
Bank charges	0.03	0.95	0.25
Business Promotion	0.69	0.73	0.04
Conveyance & fuel exp.	1.90	0.61	0.15
Courier charges	0.17	0.18	0.00
Depository Fee	0.10	0.05	-
Diesel & Petrol fuel exp.	2.51	2.27	2.23
Donation	-	0.21	0.03
<b>ELECTRICAL EXPENSES</b>	6.51	3.78	-
Factory License Fees Paid	-	1.65	-
Freight Exp	16.84	11.79	4.46
GST Late Fees	0.03	0.21	0.03
GST Expenses	-	-	-
Hamali Expenses	1.98	6.63	5.21
Hardware Expenses	10.91	11.94	0.30
Housekeeping Charges	0.18	0.25	0.19
Int. On Late Payment(TDS) Late Fees(GST)	-	-	0.05
<b>INTEREST ON LATE PAYEMENT (GST)</b>	0.17	0.89	-
Interest on Late Payment (TCS)	0.11	0.02	0.01
Internet Exp	0.18	0.18	0.24
Legal Fees	0.59	5.00	0.64
Maintenance Charges	0.77	4.92	3.77
Membership Fees	0.11	0.04	0.26
Miscelleous Expenses	3.57	0.78	0.80
Packing & Forwarding charges	0.30	0.00	0.00
Printing & Stationery	0.25	0.89	0.19
Profession Tax	0.15	0.15	0.13
Professional Fees	10.42	12.26	0.05
Repair & Maintenance Expenses	3.81	2.44	0.89
<b>SERVICE CHARGES</b>	1.58	1.82	-
Telephone Exp	0.46	0.19	0.21
Toll Expenses	0.48	0.67	0.01
Travelling Exp.	0.54	0.96	1.52
Water Charges	2.24	1.41	0.54
<b>Sub Total</b>	<b>68.00</b>	<b>74.15</b>	<b>22.58</b>

**ANNEXURE – X**  
**RESTATED STANDALONE STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Amount in Lakhs Rs. Except Per Share Data)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
Net Worth (A)	172.91	69.53	49.75
Restated Profit after tax	103.38	19.77	1.57
Less: Prior Period Item	-	-	-
Adjusted Profit after Tax (B)	103.38	19.77	1.57
Number of Equity shares (Face Value Rs 10) outstanding as on the of Year	1,000,000	500,000	500,000
Weighted Average Number of Equity shares (Face Value Rs 10) ( c)	1,000,000	500,000	500,000
Weighted Average Number of Equity shares (Face Value Rs 10) after considering Bonus Issue of Shares (D)	1,000,000	1,000,000	1,000,000
Current Assets (E)	909.63	569.32	475.45
Current Liabilities (F)	819.43	623.23	549.74
Face Value per Share	10.00	10.00	10.00
Restated Basic and Diluted Earning Per Share (Rs.) (B/D) (After Bonus)	10.34	1.98	0.16
Return on Net worth (%) (B/A)	59.79%	28.44%	3.15%
Net asset value per share (A/C) (Face Value of Rs. 10 Each) Based on actual number of shares	17.29	13.91	9.95
Net asset value per share (A/D) (Face Value of Rs. 10 Each) Based on Weighted average number of shares	17.29	6.95	4.98
Current Ratio (E/F)	1.11	0.91	0.86
Restated Earnings Before Interest Tax Depreciation and Amortisation and Other Income (EBITDA)	200.92	81.06	77.29

Note:

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs. ) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs. ) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year

(d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

(e) EBITDA has been calculated as Profit before Tax+Depreciation+Interest Expenses-Other Income

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year 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 total number of days during the period/year.

3) Net worth for ratios mentioned is equals to Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the standalone restated summary statements.

5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

6. Pursuant to director's resolution dated on 22th March, 2023 and shareholder's consent dated 18th March, 2023 bonus issue of 5,00,000 equity shares of face value of Rs 10/- in the ratio 1:1 i.e. one (1) bonus equity shares for every one (1) equity share held by shareholder.



**ANNEXURE – Y**  
**RESTATED STATEMENT OF RELATED PARTY TRANSACTION**

**List of Related Parties as per AS – 18**

Particulars	Names of related parties	Nature of Relationship
<b>Directors and Key Management Personnel (KMP)</b>	Prashant Jitendra Dholakia	Chairman & Managing Director
	Rohit Jitendra Dholakia	Whole Time Director
	Purvi Prashant Dholakia	Whole Time Director & CFO
	Jagruti Rohit Dholakia	Non -Executive Director
	Naman Haresh Patel	Independent Director (W.e.f. June, 17, 2023)
	Tushar R Shah	Independent Director (W.e.f. June, 17, 2023)
	Mithun Patel	Company Secretary (W.e.f. June, 17, 2023)
<b>Enterprises in which KMP/Relatives of KMP can exercise significant influence</b>	Kahan Packaging	Proprietorship firm of Prashant Dholakiya

(Amount in Rs. Lakhs)

(i) Transactions with Director and KMP	3/31/2023	3/31/2022	3/31/2021
A) Remuneration/Professional fee Paid			
Jagruti Rohit Dholakia	2.40	2.90	1.20
Prashant Jitendra Dholakia	0.40	1.20	1.20
Rohit Jitendra Dholakia	2.40	1.20	2.40
Purvi Prashant Dholakia	2.80	4.90	2.70
B) Rent for leased Premises			
Purvi Prashant Dholakia	2.40	2.40	2.40
C) Jagruti Rohit Dholakia			
Unsecured Loan -Opening Bal.Cr/(Dr)	42.00	28.50	29.60
Loan taken this year Cr/(Dr)	89.00	19.00	
Loan repaid this year Cr/(Dr)	(108.59)	(5.50)	(1.10)
Outstanding Balance Cr/(Dr)	22.41	42.00	28.50
D) Purvi Prashant Dholakia			
Unsecured Loan -Opening Bal.Cr/(Dr)	35.50	23.25	24.25
Loan taken this year Cr/(Dr)	78.00	19.35	
Loan repaid this year Cr/(Dr)	(49.86)	(7.10)	(1.00)
Outstanding Balance Cr/(Dr)	63.64	35.50	23.25
E) Rohit Jitendra Dholakia			
Unsecured Loan -Opening Bal.Cr/(Dr)	52.72	19.72	20.21
Loan taken this year Cr/(Dr)	-	42.00	
Loan repaid this year Cr/(Dr)	-	(9.00)	(0.49)
Outstanding Balance Cr/(Dr)	52.72	52.72	19.72
F) Security Deposit Given for leasehold Premises			
Purvi Prashant Dholakia	6.00	6.00	6.00
<b>(ii) Transactions with Entities where Director/ KMP or their Relatives hold substantial Interest</b>			
Kahan Packaging			
Purchases of Goods by the Company	294.28	114.94	338.28
Outstanding Balance Cr/(Dr)	0.00	-	-
Sale of Goods by the Company	152.94	68.07	352.77
Outstanding Balance Dr/(Cr)	22.72	-	-

**Note:**

- list of Related parties has been identified by the management and relied upon by the Auditor.
- In case there is no transaction with any of the above related parties, only name of such related parties has been disclosed as required by AS- 18

**ANNEXURE – Z**  
**RESTATED STANDALONE STATEMENT OF CAPITALISATION**

(Amount in Rs. Lakhs)

Particulars	Pre Issue	Post Issue
	3/31/2023	
<b>Debt</b>		
Short Term Debt	282.14	282.14
Long Term Debt	491.76	491.76
<b>Total Debt</b>	<b>773.90</b>	<b>773.90</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	100.00	272.00
Reserves & Surplus	72.91	576.91
Less: Miscellaneous Expenses not w/off	-	-
Total Shareholders' Fund (Equity)	172.91	848.91
<b>Long Term Debt/Equity</b>	<b>2.84</b>	<b>0.58</b>
<b>Total Debt/Equity</b>	<b>4.48</b>	<b>0.91</b>

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short Term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2023.

**ANNEXURE – AA**  
**RESTATED STANDALONE STATEMENT OF TAX SHELTER**

(Amount in Rs. Lakhs)

Particulars	for the period/year ended on		
	3/31/2023	3/31/2022	3/31/2021
A Profit before taxes as restated	130.69	24.55	7.36
B Tax Rate Applicable %	26.00	26.00	26.00
C Tax Impact (A*B)	33.98	6.38	1.91
Adjustments:			
<b>D Permanent Differences</b>			
Expenses disallowed due to non-deduction of TDS	-	1.20	2.86
Expenses disallowed Under Section 37 of the IT Act 1961	3.16653	0.3167	0.34513
<b>Total Permanent Differences</b>	<b>3.17</b>	<b>1.51</b>	<b>3.20</b>
<b>E Timing Difference</b>			
Difference between tax depreciation and book depreciation	(21.09)	(19.15)	(22.64)
Expenses Disallowed Under Section 43 B	-	0.82	0.36
<b>Total Timing Differences</b>	<b>(21.09)</b>	<b>(18.33)</b>	<b>(22.29)</b>
Set off of Carried forwarded Business Losses	28.09	7.73	
F Net Adjustment (F) = (D+E)	(46.02)	(24.55)	(19.08)
G Tax Expenses/ (Saving) thereon (F*B)	(11.96)	(6.38)	(4.96)
H Tax Liability, After Considering the effect of Adjustment (C +G)	22.01	-	-
I Book Profit as per MAT *	Opted for	Opted for	Opted for
J MAT Rate	115BAA	115BAA	115BAA
K Tax liability as per MAT (I*J)	NA	NA	NA
L Current Tax being Higher of H or K	22.01	-	-
M Interest U/s 234A, B and C of Income Tax Act	-	-	-
N Total Tax expenses (L+M+N)	22.01	-	-
P Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	Normal	Normal	Normal

\* MAT refers to Minimum Alternative Tax as referred to in section 115 JB of the Income Tax Act,1961

## Notes:

- The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax returns/Provisional computation of total income of respective years as stated above.

**ANNEXURE – AB**  
**RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES**

(Amount in Rs. Lakhs)

Particulars	As at		
	3/31/2023	3/31/2022	3/31/2021
<b>Contingent liabilities in respect of:</b>	-	-	-
Claims against the company not acknowledged as debts	-	-	-
Guarantees given on Behalf of the Company	-	-	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-
TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon	0.22	0.15	0.08
Estimated amount of contracts remaining to be executed on capital account and not provided for	98.71	-	-
Uncalled liability on shares and other investments partly paid	-	-	-
<b>Total</b>	<b>98.93</b>	<b>0.15</b>	<b>0.08</b>

**ANNEXURE – AC**  
**RESTATED STANDALONE STATEMENT OF OTHER FINANCIAL RATIO**

Sr. No.	Ratio	31-Mar-23	31-Mar-22	31-Mar-21
1	Current Ratio (No of Times)	1.11	0.91	0.86
2	Debt Equity Ratio (No of Times)	4.48	8.87	8.89
3	Debt Service Coverage Ratio (No of Times)	1.49	0.66	0.44
4	Return On Equity Ratio (%)	85.28%	33.16%	3.20%
5	Inventory Turnover Ratio (In Days)	111	73	88
6	Trade Receivable Turnover Ratio (In Days)	66	61	88
7	Trade Payable Turnover Ratio (In Days)	82	91	159
8	Net Capital Turnover Ratio (No Of Times)#	96.55	-24.77	-20.59
9	Net Profit Ratio (%)	5.90%	1.25%	0.13%
10	Return On Capital Employed (%)	19.77%	10.69%	11.64%
11	Return On Investment/Total Assets (%)	12.92%	7.52%	6.38%

#Negative Ratio represent negative working capital as on the end of the respective period/year

**Note :** Details of numerator and denominator for the above ratio are as under

- Current Ratio = Current Assets / Current Liabilities.
- Debt- equity ratio = Total debt / Shareholders' equity.
- Debt service coverage ratio = (Net Profit After Tax+ Depreciation+Interest)/(Principal + Interest).
- Return on equity ratio= Net profit after taxes / Avg Shareholder's Equity.
- Inventory turnover ratio=Cost of goods sold or sales/Average inventory.
- Trade receivables turnover ratio= Revenue from Operations /Average trade receivables.
- Trade payables turnover ratio=Purchase/Average trade payables.
- Net Capital turnover ratio=Net sales/Average working capital.
- Net profit ratio=Net profit after taxes/Total Revenue.
- Return on capital employed=Earnings before interest and taxes/Capital employed.
- Return on investment/Total Assets=PAT/Total Assets.

**OTHER FINANCIAL INFORMATION**

The Audited Financial Statements of our Company as at and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.kpackltd.com](http://www.kpackltd.com).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or (ii) prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor LM, nor any of their respective Employees, Directors, Affiliates, Agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI (ICDR) Regulations are given below: -

*(All amounts in Indian Rupees in Lakhs, unless otherwise stated)*

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Profit After Tax	103.38	19.77	1.57
Basic & Diluted Earnings per Share	10.34	1.98	0.16
Return on Net Worth (%)	59.79%	28.44%	3.15%
NAV per Equity Shares (based on no. of share outstanding at the end of year)	17.29	13.91	9.95
NAV per Equity Shares (based on Weighted Average Number of Shares - With Bonus Effect)	17.29	6.95	4.98
Earnings before interest, tax, depreciation and amortization (EBITDA)	200.92	81.06	77.29

**STATEMENT OF FINANCIAL INDEBTEDNESS**

Date: Aug 10, 2023

**To,**

The Board of Directors,

**Kahan Packaging Limited**

212, Jhalawar Service Premises, E S Patanwalla Compound,

LBS Marg, Ghatkopar West, Mumbai 400086,

Maharashtra, India

**Dear Sirs,**

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **Kahan Packaging Limited** and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 31<sup>st</sup> March, 2023 are mentioned below.

**A. SECURED LOANS****STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Loan/ Agreement A/c No./Ref. No.	Purpose	Sanctioned Amount (Rs. In Lakhs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Outstanding amount as on 31.03.2023 (Rs. In Lakhs)
Bank of India	007630110000026	Cash Credit	300.00	8.80%	<b>Primary Security:</b> Stock and Book Debts <b>Collateral Security:</b> Refer Note 1 <b>Guarantee:</b> Refer Note 2	On Demand	282.142
Bank of India	007673410000024	GECL	88.00	8.90%	<b>Primary Security:</b> Stock and Book Debts <b>Collateral Security:</b> Refer Note 1 <b>Guarantee:</b> Refer Note 2	First 24 Months: Principal repayment moratorium. Interest to be serviced as & when applied. Next 36 Months: Equated monthly instalments of Rs.2,79,429/- each.	88.000
Bank of India	007673410000027	Term Loan - Business Purpose	100.00	8.80%	<b>Principal Security:</b> Registered Mortgage of	Repayable in 50 equated monthly instalments of Rs. 2,33,963 commencing from	75.693

					Land & Building. Refer Note 1-(A) <b>Guarantee:</b> Refer Note 2	28-02-2022	
Bank of India	007673410000028	Term Loan - Business Purpose	44.01	8.80%	<b>Principal Security:</b> Hypothecation of Plant & Machinery Refer Note 1-(B) <b>Guarantee:</b> Refer Note 2	Repayable in 50 equated monthly instalments of Rs. 1,09,963 commencing from 28-02-2022	32.283
Bank of India	007673410000029	Term Loan - Business Purpose	41.68	8.80%	<b>Principal Security:</b> Hypothecation of Plant & Machinery Refer Note 1-(B) <b>Guarantee:</b> Refer Note 2	Repayable in 56 equated monthly instalments of Rs. 91,446 commencing from 28- 02-2022	32.448
SIDBI (Small Industries Development Bank of India)	D0004OU5	Business Purpose	122.72	8.25%	<b>Primary Security:</b> Movable assets like Plant, Equipment, Machinery, Misc. Fixed Assets <b>Collateral Security:</b> FDR of Rs.31 lacs <b>Guarantee:</b> Refer Note 2	Repayable in 54 equated monthly instalments of Rs. 2,27,000 commencing from 10-06-2023	122.325
<b>TOTAL (Fund Based)</b>							<b>632.891</b>
<b>TOTAL (Non-Fund Based)</b>							<b>Nil</b>
<b>GRAND TOTAL (Fund and Non fund Based)</b>							<b>632.891</b>

**Note 1:** Collateral Security for the CC/GECL facility granted by Bank of India and Principal Security for Term Loan granted by Bank of India is as under :-

(A) Registered Mortgage of Land and Building situated at Plot No 23, Amalgamated Industrial Complex, Mumbai Nashik Road, Near Diamond Retreat Hotel, Village - Asangaon, Taluka - Shahpur, Thane - 421601

(B) Hypothecation of Plant & Machinery situated at Plot No.23, Amalgamated Industrial Complex, Mumbai Nashik Road, Near Diamond Retreat Hotel, Village - Asangaon, Taluka - Shahpur, Thane - 421601

**Note 2:**

Further the Credit facilities by Bank of India and SIDBI have personal guarantee of A) Rohit J Dholakia, B) Jagruti R Dholakia, C) Prashant J Dholakia, and D) Purvi P Dholakia.

**B. UNSECURED LOANS- FROM BANK/FINANCIAL INSTITUTIONS**

Name of Lender	Purpose	Sanctioned Amount (Rs in Lakhs)	Rate of Interest	Re-Payment Schedule	31-03-2023 (Rs. In Lakhs)
HDFC Bank Ltd	Business Loan	4.99	8.25%	36 Monthly EMI of Rs. 15726 From 07/07/2021	2.234
<b>TOTAL</b>					<b>2.234</b>

**UNSECURED LOANS- FROM OTHERS**

Name of Lender	Purpose	Rate of Interest	Re-Payment Schedule	31-03-2023 (Rs. In Lakhs)
Jagruti Rohit Dholakia	Business Loan	NIL	Payable on Demand	22.412
Purvi Prashant Dholakia	Business Loan	NIL	Payable on Demand	63.643
Rohit Jitendra Dholakia	Business Loan	NIL	Payable on Demand	52.724
<b>TOTAL</b>				<b>138.779</b>

There are following restrictive covenants other than general banking terms and conditions in working capital limit sanctioned by Bank of India.

- Firm have to submit C.A. Certificate prior to disbursement and ensure that no statutory liabilities by the Company is in arrears.
- Company to submit stamped undertaking regarding maintenance of capital/infusion as and when required to maintain CR/DER as envisaged by the Company. Quasi Capital must be maintained throughout the tenor of loan so as to maintain DER/CR for corresponding year as per bank's credit policy at 4:1/1.33. In case of any breach, penal interest will be levied till it is rectified.
- Company to submit stamped undertaking that all the transactions with group concerns/ related parties are on arm's length basis.
- Below action of management of the Company is not permitted unless consent of the Bank of India is obtained.
  - Formulate any scheme of amalgamation or reconstruction.
  - Undertake any new project, implement any scheme of expansion / diversification or capital expenditure, or acquired fixed assets (except normal replacements indicated in funds flow statement submitted to and approved by the bank) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.
  - Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies); normal trade credit or security deposits in the ordinary course of business or advances to employees can, however, be extended. Such investment should not result in breach of financial covenants relating to the credit facilities sanctioned including TOL/ Adjusted TW and current ratio agreed upon at the time of sanction.
  - Enter into borrowing arrangement either secured or unsecured with any other bank financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits, stipulated by the Bank from time to time.
  - Undertake any guarantee, SBLC or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).
  - Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that such distribution may be permitted only if no event of default / breach in financial covenant is subsisting in any repayment obligations to the Bank.
  - Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any other financial institution, bank, company, firm or persons.

- Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank. However, fixed assets to the extent of 5% of Gross Block may be sold in any financial year provided such sale does not dilute FACR below minimum stipulated level.
- Enter into any contractual obligation of a long term nature or which, in the reasonable assessment of the Bank, is detrimental to lender's interest, viz. acquisition beyond the capability of borrower as determined by the present scale of operations or tangible net worth of the borrower/ net means of promoters etc. leveraged buyout etc.
- Change the practice with regard to remuneration of Directors by means of ordinary, remuneration or commission, scale of sitting fees etc. except where mandated by any legal or regulatory provisions.
- Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors.
- Repay monies brought in by the Promoters/ Directors / Principal Shareholders and their friends and relatives by way of deposits / loans /advances before repaying the entire dues to the Bank. Further, the rate of interest, if any, payable on such deposits/ loans / advances should be lower than the rate of interest charged by the Bank on its term loan and payment of such interest will be subject to regular repayment of instalments to term loans granted / deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the borrower to the Bank.
- Pay any commission or fees to the guarantor/s for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
- Approach capital market for mobilizing additional resources either in the form of debt or equity

Yours faithfully,

**For, R K Jagetiya & Co.**

Chartered Accountants

**FRN:** 146264W

Sd/-

Ravi K Jagetiya

Proprietor

Membership No. 134691

**Place:** Mumbai

**Date:** Aug 10, 2023

**UDIN:** 23134691BGWLQC7557



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled "Financial Information of the Company" beginning on page 129. You should also read the section titled "Risk Factors" on page 22 and the section titled "Forward Looking Statements" on page 16 of this Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated Financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated 20<sup>th</sup> June, 2023 which is included in this Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **Business Overview**

Our Company started its operations in the year 2016, since then has been in the business of manufacturing and supply of Polypropylene (PP)/ High Density Polyethylene (HDPE) Woven Fabric- Laminated, HDPE/PP woven sacks, Woven Fabric- Un-Laminated, PP Woven Bag, PP Woven Bag with Liner, Printed Laminates for Flexible Packaging, woven polymer based products of different weight, sizes and colors as per customer's specifications. We offer customized bulk packaging solutions to business-to-business ("B2B") manufacturers catering to different industries such as Agro Pesticides Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry.

HDPE/PP are two commonly used materials in the bulk packaging industry due to benefits which includes durability, lightweight, versatility, recyclability, chemical resistance, moisture resistance, cost-effective, high tear resistance which has lower carbon footprint during transportation due to its lightweight nature. Presently, the installed production capacity of Factory-I for woven fabrics is 2,600 m.t. p.a. which is located Asangaon, Maharashtra. Over the years, we have made investments, from time to time, in our manufacturing infrastructure to support our product portfolio requirements. Recently, our Company has expanded its business and set up new manufacturing unit and installed Multi color (up-to 8 Color) Roto Gravure Printing Machine for flexible packaging and printing process including polyester, Nylon, BOPP, Foil, low and high density polyethylene polypro plane and paper with two sided printing facilities with high speed hot air dryers with installed production capacity of 500 m.t. p.a.

All our products are manufactured in-house at our manufacturing units located amalgamated Inds Estate, Near Diamond Hotel, Mumbai- Nashik Highway, Asangaon, Tal. Shahpur, Dist. Thane - 421601, Maharashtra, which enables us to have an effective control over the manufacturing process, to ensure consistent quality of our products and minimizing production time and bringing cost effectiveness. The manufacturing units of our Company are constructed on well-developed land. Our manufacturing unit is strategically located at Thane providing us with strategic and operational advantages and has a modern technology and testing equipment's with supporting environment and facilities, to ensure that the products conform to the pre-determined standards.

### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of Statement of Significant Accounting Policies, please refer to Restated Financial Statements beginning on page 129 of this Prospectus.

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Our reliance on third parties such as clearing and forwarding agents, transporters etc. for the storage, movement and delivery of our products;
3. Our ability to successfully implement our strategy, our growth and expansion, technological changes;
4. Increased competition in the sectors/areas in which we operate;
5. Factors affecting the Industry in which we operate;
6. Fluctuations in operating costs;
7. The occurrence of natural disasters or calamities;
8. Our ability to attract, retain and manage qualified personnel;
9. Our failure to keep pace with rapid changes in technology;
10. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;

11. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
13. Occurrence of Environmental Problems & Uninsured Losses;
14. Conflicts of interest with affiliated companies, the promoter group and other related parties;
15. Any adverse outcome in the legal proceedings in which we are involved;
16. Concentration of ownership among our Promoters; and
17. Changes in government policies and regulatory actions that apply to or affect our business.

### Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021.

*Amt in Lakhs*

Particulars	For the financial year ended					
	FY 2022-23	% of Total Income	FY 2021-22	% of Total Income	FY 2020-21	% of Total Income
<b>Income</b>						
Revenue From Operation	1,751.79	99.76	1,587.95	99.83	1,211.78	99.92
Other Income	4.14	0.24	2.68	0.17	1.02	0.08
<b>Total Income</b>	<b>1,755.93</b>	<b>100</b>	<b>1,590.63</b>	<b>100</b>	<b>1,212.81</b>	<b>100</b>
<b>Expenditure</b>						
Cost of Goods Sold	1,493.16	85.03	1,263.08	79.41	993.83	81.94
Change In Inventory	-190.73	-10.86	8.56	0.54	-3.92	-0.32
Employee Benefit Expenses	26.26	1.50	29.62	1.86	29.04	2.39
Finance Cost	56.54	3.22	48.83	3.07	49.92	4.12
Depreciation and Amortization Expenses	22.60	1.29	19.63	1.23	21.03	1.73
Other Expenses	217.42	12.38	196.37	12.35	115.54	9.53
<b>Total Expenditure</b>	<b>1,625.25</b>	<b>92.56</b>	<b>1,566.08</b>	<b>98.46</b>	<b>1,205.44</b>	<b>99.39</b>
<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax</b>	<b>130.69</b>	7.44	<b>24.55</b>	1.54	<b>7.36</b>	0.61
Exceptional Item	-		-		-	
<b>Profit/(Loss) Before Tax</b>	<b>130.69</b>	<b>7.44</b>	<b>24.55</b>	<b>1.54</b>	<b>7.36</b>	<b>0.61</b>
Tax Expense:						
Tax Expense for Current Year	22.01	1.25	-	-	-	-
Short/ (Excess) Provision of Earlier Year						
Deferred Tax	5.29	0.30	4.77	0.3	5.79	0.48
Net Current Tax Expenses	27.31	1.56	4.77	0.3	5.79	0.48
<b>Profit/(Loss) for the Year</b>	<b>103.38</b>	<b>5.89</b>	<b>19.77</b>	<b>1.24</b>	<b>1.57</b>	<b>0.13</b>

### Revenue from operations:

Revenue from Operations mainly consists of revenue from sale of PP Woven Fabric.

### Other Income:

Our other income primarily comprises of Interest Income, Rate Difference & Discount on Freight.

### Total Expenses:

Company's expenses consist of operating cost like Cost of material consumed, Changes in the inventory, Employee benefits expense, Finance costs, Depreciation and amortization expenses and other expenses.

### Purchase of Material:

Our material comprises of purchases of Raw Material.

**Changes in the Inventory:**

Our changes in the inventory comprises of changes in the Stock of raw material, WIP, finished goods & loose tools.

**Employee benefits expense:**

Our employee benefits expense primarily comprises of Salaries & wages, staff welfare expenses, Contribution to PF & other funds etc.

**Finance Costs:**

Our finance cost comprises of Interest on loan and other borrowing cost.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation of property, plant and equipment, computer & software, Electrical Installations, Vehicles & office equipment.

**Other Expenses:**

Our Other Expenses consists of electricity expense, rent paid, labour expenses, freight expenses, maintenance expenses, travelling expenses, Professional fees, legal fees, hardware expenses, water charges etc.

**Restated Profit before tax:**

The Company reported Restated profit before tax for year ending March 31, 2023 of Rs. 130.69 Lakhs.

**Restated profit after tax:**

The Company reported Restated profit after tax for period ending March 31, 2023 of Rs. 103.38 Lakhs.

**Financial Year 2023 Compared to Financial Year 2022 (Based on Restated Financial Statements)**

**Total Income:**

Total income for the financial year 2022-23 stood at Rs 1755.93 Lakhs whereas in Financial Year 2021-22 the same stood at Rs. 1590.63 Lakhs representing an increase of 10.39%. The main reason of increase was increase in the business operations of the company.

**Revenue from Operations**

During the financial year 2022-23 the net revenue from operation of our Company increased to Rs 1751.79 Lakhs as against Rs. 1587.95 Lakhs in the Financial Year 2021-22 representing an increase of 10.32 %. The main contribution was due to expansion in the business.

**Other Income:**

During the financial year 2022-23 the other income of our Company increased to Rs. 4.14 Lakhs as against Rs. 2.68 lakhs in the Financial Year 2021-22 representing an increase of 54.53 %.

**Total Expenses**

The total expense for the financial year 2022-23 increased to Rs. 1625.25 Lakhs from Rs. 1566.08 lakhs in the Financial Year 2021-22 representing an increase of 3.78 %. Such increase was due to increase in business operations of the Company.

**Cost of Goods Sold:**

Cost of Goods Sold in the financial year 2022-2023 amounted to Rs. 1493.16 Lakhs as against Rs. 1263.08 Lakhs in FY 2021-22 representing an increase of 18.22%. Such increase was due to increase in business operations of the Company.

**Changes in the Inventory:**

There is decrease in the inventory of the company in the financial year 2022-2023 by Rs. 199.29 Lakhs in comparison to FY 2021-22.

**Employee benefits expense:**

Our Company has incurred Rs. 26.26 Lakhs as Employee benefits expense during the financial year 2022-23 as compared to Rs. 29.62 Lakhs in the financial year 2021-22. The decrease of 11.34 % was due to decrease in salary and wages.

**Finance costs:**

These costs were for the financial Year 2022-23 increased to Rs. 56.54 Lakhs as against Rs. 48.83 Lakhs during the financial year 2021-22. The increase of 15.79 % was due to increase in the interest expense.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2022-23 stood at Rs. 22.60 Lakhs as against Rs. 19.63 Lakhs during the financial year 2022-21. The increase in depreciation was around 15.12 % in comparison to the previous year.

**Other Expenses:**

Our Company has incurred Rs. 217.42 Lakhs during the Financial Year 2022-23 on other expenses as against Rs. 196.37 Lakhs during the financial year 2021-22. There was an increase of 10.72 % was mainly due to increase in Electricity expense, labour expenses, freight expenses, maintenance expenses, Professional fees, Legal Fees, Hardware expenses, water charges etc.

**Restated profit before tax:**

Net profit before tax for the financial year 2022-23 increased to Rs 130.69 Lakhs as compared to Rs. 24.55 Lakhs in the financial year 2021-22, which was majorly due to factors as mentioned above.

**Restated profit for the year:**

The Company reported Restated profit after tax for the financial year 2022-23 of Rs. 103.38 Lakhs in comparison to Rs. 19.77 lakhs in the financial year 2021-22, there is an increase of 422.91 % majorly due to factors mentioned above.

**Financial Year 2022 Compared to Financial Year 2021 (Based on Restated Financial Statements)**

**Total Income:**

Total income for the financial year 2021-22 stood at Rs 1590.63 Lakhs whereas in Financial Year 2020-21 the same stood at Rs. 1212.81 Lakhs representing an increase of 31.15%. The main reason of increase was increase in the business operations of the company.

**Revenue from Operations**

During the financial year 2021-22 the net revenue from operation of our Company increased to Rs 1587.95 Lakhs as against Rs. 1211.78 Lakhs in the Financial Year 2020-21 representing an increase of 31.04 %. The main contribution was due to expansion in the business.

**Other Income:**

During the financial year 2021-22 the other income of our Company increased to Rs. 2.68 Lakhs as against Rs. 1.02 lakhs in the Financial Year 2020-21 representing an increase of 162.10 %.

**Total Expenses**

The total expense for the financial year 2021-22 increased to Rs. 1566.08 Lakhs from Rs. 1205.44 lakhs in the Financial Year 2020-21 representing an increase of 29.92 %. Such increase was due to increase in business operations of the Company.

**Cost of Goods Sold:**

Cost of Goods Sold in the financial year 2021-2022 amounted to Rs. 1263.08 Lakhs as against Rs. 993.83 Lakhs in FY 2020-21 representing an increase of 27.09%. Such increase was due to increase in business operations of the Company.

**Changes in the Inventory:**

There is increase in the inventory of the company in the financial year 2021-2022 by Rs. 12.48 Lakhs in comparison to FY 2020-21.

**Employee benefits expense:**

Our Company has incurred Rs. 29.62 Lakhs as Employee benefits expense during the financial year 2021-22 as compared to Rs. 29.04 Lakhs in the financial year 2020-21. The increase of 1.98 % was due to increase in salary and wages.

**Finance costs:**

These costs were for the financial Year 2021-22 decreased to Rs. 48.83 Lakhs as against Rs. 49.92 Lakhs during the financial year 2020-21. The decrease of 2.18 % was due to decrease in the interest expense.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2021-22 stood at Rs. 19.63 Lakhs as against Rs. 21.03 Lakhs during the financial year 2020-21. The decrease in depreciation was around 6.67 % in comparison to the previous year.

**Other Expenses:**

Our Company has incurred Rs. 196.37 Lakhs during the Financial Year 2021-22 on other expenses as against Rs. 115.54 Lakhs during the financial year 2020-21. There was an increase of 69.96 % was mainly due to increase in electricity expense, labour expenses, freight expenses, maintenance expenses, Professional fees, Legal Fees, Hardware expenses, water charges etc.

**Restated profit before tax:**

Net profit before tax for the financial year 2021-22 increased to Rs 24.55 Lakhs as compared to Rs. 7.36 Lakhs in the financial year 2020-21, which was majorly due to factors as mentioned above.

**Restated profit for the year:**

The Company reported Restated profit after tax for the financial year 2021-22 of Rs. 19.77 Lakhs in comparison to Rs. 1.57 lakhs in the financial year 2020-21, there is an increase of 1162.68% majorly due to factors mentioned above.

**Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. Except as disclosed in this Prospectus, there are no unusual or infrequent events or transactions in our Company.

***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.

***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 22 of 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. Future changes in relationship between costs and revenues**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 22, 87 and 166 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

#### **5. Segment Reporting**

Our business activity primarily falls within a single business and geographical segment, other than as disclosed in “**Restated Financial Statements**” on page 129, we do not follow any other segment reporting

#### **6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**” on page 87, our Company has not announced any new product or service.

#### **7. Seasonality of business**

Our business is not subject to seasonality. For further information, see “**Industry Overview**” and “**Our Business**” on pages 74 and 87, respectively.

#### **8. Dependence on single or few customers**

For the financial year ended FY 22-23, FY 21-22 and FY 20-21 our top 5 customers contributed to 97.00 %, 93.02 % & 91.36 % of our revenue from operations. For further information, see “**Risk Factors**” on page 22 of this Prospectus.

#### **9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 74 and 87 respectively of this Prospectus.

#### **10. Details of material developments after the date of last balance sheet i.e. March 31 2023.**

After the date of last Balance sheet i.e. March 31 2023, the following material events have occurred after the last audited period –

- 1) The Authorized Share Capital of the Company was increased from Rs.2,00,00,000/- divided into 20,00,000 Equity Shares of Rs.10/- each to Rs.5,00,00,000/- divided into 50,00,000 Equity Shares of Rs. 10/- vide Extra Ordinary General Meeting held on April 25, 2023.
- 2) Our Company has allotted Right Shares of 10,00,000 Equity Shares of face value of Rs. 10/- each fully paid at face value of Rs. 10/- vide Board Meeting dated June 15, 2023
- 3) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 17, 2023\_ and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on June 19, 2023 pursuant to section 62(1)(c) of the Companies Act, 2013.
- 4) Our Company has approved the Restated Financial Statements for the financial year ended March 31 2023, 2022 and 2021 vide Board meeting dated August 10, 2023
- 5) Our Company has approved the Draft Prospectus vide resolution in the Board Meeting dated June 30, 2023
- 6) Our Company has approved the Prospectus vide resolution in the Board Meeting dated August 31, 2023.

**CAPITALISATION STATEMENT***(Amount in Rs. Lakhs)*

<b>Particulars</b>	<b>Pre-Issue</b>	<b>Post-Issue</b>
<b>Debt</b>		
Short Term Debt	282.14	282.14
Long Term Debt	491.76	491.76
<b>Total Debt</b>	<b>773.90</b>	<b>773.90</b>
<b>Shareholders' Fund (Equity)</b>		
Equity Share Capital	100.00	272.00
Reserves & Surplus	72.91	576.91
<b>Total Shareholders' Fund (Equity)</b>	<b>172.91</b>	<b>848.91</b>
<b>Long Term Debt/Equity</b>	<b>2.84</b>	<b>0.58</b>
<b>Total Debt/Equity</b>	<b>4.48</b>	<b>0.91</b>

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months
2. Long term Debts represent debts other than Short term Debts as defined above
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2023.
4. The reserves and surplus amount has not been adjusted for share issue expenses on account of the proposed Issue.
5. The equity share capital and reserves and surplus(post-issue) has been determined after taking impact of right issue of 10,00,000 equity shares made on June 15, 2023 and proposed IPO of 7,20,000 equity shares offered at a price of Rs. 80/- per share (including securities premium of Rs. 70/- per share).

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters; (ii) actions by statutory or regulatory authorities involving the Company, Directors, or Promoters; (iii) outstanding claims relating to direct and indirect taxes involving the Company or Promoters and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); or (v) litigation involving our Group Company which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

*For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated June 20, 2023.*

*Any pending litigations or arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving our Company, Directors, Group company and Promoters shall be considered “material” for the purposes of disclosure in this Prospectus, if:*

- a) the aggregate monetary claim made by or against the Company, Subsidiaries, Directors, or Promoters, as the case may be, in any such pending litigation or arbitration proceeding is in excess of 1 % of the profit after tax as per the Restated Financial Statements for the Financial Year included in the Issue Documents; or*
- b) in such litigation the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company.”*

*have been considered “material” and accordingly have been disclosed in this Prospectus.*

*For the purposes of the above, pre-litigation notices received (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum. Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the total trade payables of our Company as of the end of the most recent period covered in the Restated Financial Statements. Unless stated to the contrary, the information provided below is as of the date of this Prospectus.*

#### **PART 1: LITIGATION RELATING TO OUR COMPANY:**

##### **(a) Criminal proceedings against the Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings against by the company.

##### **(b) Criminal proceedings filed by the Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated by the Company.

##### **(c) Other pending material litigations against the Company**

As on the date of this Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

##### **(d) Other pending material litigations filed by the Company**

As on the date of this Prospectus, there are no outstanding litigations initiated by the company, which have been considered material by the Company in accordance with the Materiality Policy.



**(e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**PART 2: LITIGATION RELATING TO DIRECTORS AND PROMOTERS OF OUR COMPANY:**

**(a) Criminal proceedings against the Promoters & Directors of the company**

As on the date of this Prospectus, there are no outstanding criminal proceedings against the Promoters & Directors of the company.

**(b) Criminal proceedings filed by the Promoters & Directors of the company:**

- (i) Our Director Mr. Rohit Dholakia (hereinafter referred to as '**Complainant**') being an authorized representative of Kahan Packaging i.e. a proprietary firm had filed a case being Criminal Complaint No. 176 of 2018 against M/s. Sovereign Industries and Mr. Shivkumar Malagan (hereinafter referred to as '**Accused**') before Hon'ble Court of Metropolitan Magistrate, 50<sup>th</sup> Vikhroli Court, Mumbai ("**Hon'ble Court**") under the section 138 of Negotiable Instrument Act, 1881 for recovery of Rs. 10.29 lakhs. The Accused had issued cheque towards discharge of his liabilities towards Complainant but the cheque was dishonored with a remark stating 'payment stopped by drawer'. The same is pending adjudication before the Hon'ble Court. The next date of hearing is on December 04, 2023.

**(c) Other pending material litigations against the Promoters & Directors of the company**

As on the date of this Prospectus, there are no outstanding litigations initiated against the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Promoters & Directors of the company**

- (i) Our Director Mr. Prashant J. Dholakia (hereinafter referred to as '**Complainant**') had filed a case being an authorized representative of Kahan Packaging i.e. a proprietary firm. The case bearing Dispute No. CC/II/259 of 2019 against Shri Vitthal Sahakari Sakhar Karkhana Limited (hereinafter referred to as '**Accused**') before Hon'ble Second Co-operative Court ("**Hon'ble Court**") for recovery of Rs. 41.48 lakhs. The Complainant had issued several notices along with Form 3 under the Insolvency and Bankruptcy Code, 2016 for payment of the outstanding dues. Due to non- payment of outstanding demand the case has been filed before the Hon'ble Court against the Accused. The same is pending adjudication before the Hon'ble Court. The next date of hearing is on September 11, 2023.

**(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

**PART 3: LITIGATION RELATING TO GROUP COMPANY**

**(a) Criminal proceedings against the Group Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings against by the Group Company.

**(b) Criminal proceedings filed by the Group Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated by the Group Company.

**(c) Other pending material litigations against the Group Company**

As on the date of this Prospectus, there are no outstanding litigations initiated against the Group Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Group Company**

As on the date of this Prospectus, there are no outstanding litigations initiated by the Group Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Group Company**

As on the date of this Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Group Company.

**PART 4: TAX PROCEEDINGS**

Nature of Proceedings	Number of cases	<i>Rs. In Lakhs</i>
		Amount involved
<b>Of the company</b>		
Direct Tax (Income Tax)- TDS Outstanding Demand	1	0.22
<b>Total</b>	<b>1</b>	<b>0.22</b>
<b>Of the Promoters and Directors</b>		
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**PART 5: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company’s total Trade payables as per Restated Financial statements, to small scale undertakings and other creditors as material dues for our Company.

As per Restated Financial Statements, the trade payables of our Company as on March 31 2023 were Rs. 445.14 lakhs. Accordingly, a creditor has been considered ‘**material**’ if the amount due to such creditor exceeds Rs. 22.26 lakhs as on March 31 2023. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on June 20, 2023. As on March 31 2023, there are 6 creditors to each of whom our Company owes amounts exceeding 5% of our Company’s Trade Payables and the aggregate outstanding dues to them being approximately Rs. 232.39 lakhs. The details pertaining to amounts due towards material creditors are available on the website of our Company.

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, in relation to amount unpaid together with interest payable have not been furnished.

Therefore, as on March 31 2023, our Company owes amounts aggregating to Rs. 445.14 lakhs approximately towards 77 trade creditors, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them.

**PART 6: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 166 of this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses / registrations / approvals /consents / permissions from the Government and various other Government agencies required for its present business.*

*For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled 'Key Industry Regulations and Policies' on page 96 of this Prospectus.*

### **I. Approvals for the Issue:**

The following approvals have been obtained or will be obtained in connection with the Issue

#### ***Corporate Approvals:***

- a. The Board of Directors has, pursuant to a resolution dated June 17, 2023 under Section 62(1)(c) of the Companies Act, 2013 passed at its meeting held on authorized the Issue, subject to the approval of the shareholders of the Company and approvals by such other authorities, as may be necessary.
- b. The shareholders of the Company have, pursuant to a resolution passed in Extraordinary General Meeting held on June 19, 2023 authorized the Issue under Section 62(1)(c) of the Companies Act, 2013.

#### ***Approval from the Stock Exchange:***

- a. We have received in-principle approval from BSE Limited for the listing of our Equity Shares on BSE SME Platform pursuant to letter dated August 22, 2023.

#### ***Agreements with NSDL and CDSL:***

- a. Tripartite Agreement dated June 19, 2023 between CDSL, the Company and the Registrar to the Issue;
- b. Tripartite Agreement dated January 22, 2019 between NSDL, the Company and the Registrar to the Issue;
- c. The Company's International Securities Identification Number ("ISIN") is INE04T901017.

### **II. Incorporation related Approvals:**

Sr. No.	Nature of Registration/ License	CIN	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Incorporation	U36100MH2013PLC240584	Companies Act, 1956	Registrar of Companies, Maharashtra, Mumbai	February 19, 2013	Valid till Cancelled
2.	Certificate for Commencement of Business	U36100MH2013PLC240584	Companies Act, 1956	Registrar of Companies, Maharashtra, Mumbai	March 14, 2013	Valid till Cancelled

**III. Corporate/General Authorizations:**

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue/Renewal	Date of Expiry
1.	Permanent Account Number	AAFCK0778D	Income Tax Act, 1961	Commissioner of Income Tax	March 14, 2013	Valid till Cancelled
2.	Tax Deduction and Collection Account Number (TAN)	MUMK26312G	Income Tax Act, 1961	Income Tax Department	November 18, 2016	Valid till Cancelled
3.	GST Registration Certificate	27AAFCK0778D1ZK	Central Goods and Service Tax Act, 2017	Government of India	July 19, 2018	Valid till Cancelled
12.	Certificate of Importer – Exporter Code (IEC)	AAFCK0778D	Foreign Trade (Development & Regulation) Act, 1992	Directorate General of Foreign Trade, Ministry of Commerce and Industry	March 05, 2019	Valid till Cancelled

**IV. Business Related Certifications:**

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue/Renewal	Date of Expiry
1.	UDYAM Registration Certificate (Small Services)	UDYAM-MH-19-0022531	Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprises	November 24, 2020	Valid till Cancelled
2.	Certificate of Registration for Professional Tax	27861173757P	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Maharashtra Sales Tax department	March 04, 2016	Valid till Cancelled
3.	Consent to Operate	SRO-KALYAN III/CONSENT/ 2107000009	Water (Prevention and Control of Pollution) Act, 1974 & Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Waste (Management And Transboundary Movement) Rules, 2016.	Sub Regional Officer, Kalyan III, Maharashtra Pollution Control Board	July 01, 2021	March 31, 2024
4.	Factory Licence	Licence No.: 14150 Registration No: 121702011300K-1	Factories Act, 1948	Co-Director, Industrial safety and Health, Maharashtra State Kalyan	November 03, 2021	December 31, 2031

**V. Intellectual property related approvals:**

S. No.	Brand name/ Logo Trademark/Wordmark	Class	TM Category	Owner	Trademark Number/ Application No./ Registration Certificate Number	Issuing Authority	Date of Application	Status
1.	KAHAN	24	Trade Mark	Kahan Packaging Limited	5986982	Registrar of Trademark	20/06/2023	Formalities Chk Pass

**VI. Licenses / approvals which are applied by Company and are pending for approval:**

- a) For Certificate of enrolment for Professional Tax

**VII. Licenses/ Approvals yet to be made by Company: Nil**

**OUR GROUP COMPANY**

In accordance with the provisions of the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and other Company as considered material by our Board. Further, pursuant to a resolution of our Board dated June 20, 2023 for the purpose of disclosure in relation to Group company in connection with the Issue, a company shall be considered material and disclosed as a Group company if such company fulfills both the below mentioned conditions: -

- a. the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“**Restated Financial Statements**”); or
- b. if such company fulfills both the below mentioned conditions: -
  - i. such company that forms part of the Promoter Group of the Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations; and
  - ii. the Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the Company as per Restated Financial Statements.

Accordingly, based on the parameters outlined above, as on the date of this Prospectus, there are no company/entity falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group company/entity (“**Group Company**”)

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue:**

#### **Corporate Approvals:**

The Board of Directors, pursuant to a resolution passed at their meeting held on June 17, 2023 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on June 19, 2023 authorized the Issue.

#### **In-principle Approval:**

Our Company has obtained in-principal approval from the SME Platform of BSE (BSE SME) for using its name in this Draft Prospectus/ Prospectus pursuant to an approval letter dated August 22, 2023. BSE which is the Designated Stock Exchange.

#### **Prohibition by SEBI or other Governmental Authorities:**

Our Company, Promoter, Directors, members of our Promoter Group, the persons in control of our Promoter or our Company, as applicable, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. There are no violations of securities laws committed by them in the past or are pending against them.

Our Directors and Promoter are not directors or promoters of any other company which has been debarred from accessing the capital markets by SEBI. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Our Company, Promoter and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

Our Promoter or Directors have not been declared as Fugitive Economic Offenders.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" beginning on page 173 of this Prospectus.

#### **Directors associated with the securities market:**

None of our Directors are associated with the securities market in any manner including securities market related business.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Prospectus.

#### **Prohibition by RBI:**

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender or a fraudulent borrower and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" beginning on page 173 of this Prospectus.

#### **Prohibition with respect to wilful defaulters or a fraudulent borrower**

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

## **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Prospectus, there are no such significant beneficial owners in our Company.

### **Eligibility for the Issue:**

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 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) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is not more than 10 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the " **BSE SME**").

### **We confirm that:**

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM 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 – Underwriting**" beginning on page 46 of this Prospectus.
- b) 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 eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
- c) In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, 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. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
- d) 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 – Details of the Market Making Arrangements for this Issue**" beginning on page 47 of this Prospectus.
- e) In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
- f) In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer's promoters or directors is a fugitive economic offender.
- g) In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to BSE (SME Platform of the BSE) is the Designated Stock Exchange.
- h) In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
- i) In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid-up.
- j) In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of



SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated June 19, 2023 and National Securities Depository Limited dated January 22, 2019 for establishing connectivity.
2. Our Company has a website i.e. [www.kpackltd.com](http://www.kpackltd.com)
3. There has been no change in the promoters of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

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

1. Our Company was incorporated as Kahan Packaging Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated February 19, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai and Certificate of Commencement of Business dated March 14, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U36100MH2013PLC240584.
2. As on the date of this Prospectus, the Company has a Paid-up Capital of Rs. 200.00 Lakhs and the Post Issue Capital will be of Rs. 272.00 Lakhs which is less than ₹25 Crores.
3. The Company confirms that it has track record of more than 3 years.
4. The Company confirms that it has operating profits (earnings before depreciation and tax) from operations for at-least 2 financial years out of preceding three financial years and its net-worth as on March 31, 2023, March 31, 2022 and March 31, 2021 is positive.

(In Rs. Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
EBITDA	200.92	81.06	77.29
Net worth	172.91	69.53	49.75
Cash accruals	153.28	44.18	28.39
Net Tangible Assets	480.51	379.33	397.94

5. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the Company;
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
7. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
8. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
9. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

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

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE**

MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2023.

THE FILING OF THIS PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND / 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 LM ANY IRREGULARITIES OR LAPSES IN THE DRFT PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No	Issue name	Issue size (Rs in 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> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1.	Chaman Metallics Limited	24.21	38.00	January 16, 2023	68.00	44.47% [0.68%]	19.74% [-1.05%]	68.16% [11.65%]
2.	Earthstahl & Alloys Limited	12.96	40.00	February 8, 2023	55.00	22.50% [1.41%]	45.83% [1.81%]	54.18% [8.72%]
3.	Macfos Limited	23.74	102.00	March 01, 2023	184.00	69.61% [0.71%]	174.41% [5.99%]	264.71% [9.40%]
4.	Systango Technologies Limited	34.82	90.00	March 15, 2023	98.00	110.56% [5.00%]	132.56% [10.28%]	N.A.
5.	Labelkraft Technologies Limited	4.75	55.00	March 23, 2023	56.00	0.27% [3.68%]	24.55% [9.66%]	N.A.
6.	Vasa Denticity Limited	54.07	128.00	June 02, 2023	211.00	156.13% [3.53%]	N.A.	N.A.
7.	Hemant Surgical Industries Limited	24.84	90.00	June 05, 2023	171.00	34.30% [4.23%]	N.A.	N.A.
8.	Greenchef Appliances	53.62	87.00	July 06, 2023	104.00	28.91% [0.51%]	N.A.	N.A.

	Limited							
9.	Kaka Industries Limited	21.23	58.00	July 19, 2023	110.20	170.78% [-3.20%]	N.A.	N.A.
10.	Asarfi Hospital Limited	26.94	52.00	July 26, 2023	98.80	150.04% [-2.73%]	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com) Offer Information from respective Prospectus.

- The scrip of Systango Technologies Limited and Labelkraft Technologies Limited has not completed its 180<sup>th</sup> days from the date of listing; Vasa Denticity Limited, Hemant Surgical Industries Limited, Greenchef Appliances Limited, Kaka Industries Limited and Asarfi Hospital Limited has not completed its 90<sup>th</sup> day from the date of listing.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. 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%
2021-22	6 <sup>(1)</sup>	130.40	-	-	-	4	-	2	-	-	-	6	-	-
2022-23	15 <sup>(2)</sup>	220.57	-	-	-	6	5	3	-	-	-	10	-	3
2023-24	5 <sup>(3)</sup>	180.69	-	-	-	3	2	-	-	-	-	-	-	-

- The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021 and March 28, 2022 respectively; and.
- The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023.
- The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023.

**Note:**

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

**Track Record of past issues handled by Hem Securities Limited:**

For details regarding track record of Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.hemsecurities.com](http://www.hemsecurities.com)

**Disclaimer from our Company and the Lead Manager:**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the agreement entered between the LM (Hem securities Limited) and our Company on June 19, 2023 and the Underwriting Agreement dated July 15, 2023 entered into between the Underwriters and our Company and the Market Making Agreement dated July 15, 2023 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and 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 in the Issue.

**Disclaimer in Respect of Jurisdiction:**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2,500.00 Lakhs and pension funds with a minimum corpus of Rs.2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Jaipur, Rajasthan only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause of the SME Platform of the BSE:**

"BSE limited ("BSE") has vide its letter dated August 22, 2023, given permission to "Kahan Packaging 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 document; 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 offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and 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 and legislations in each jurisdiction, including India.

**Filing of Draft Prospectus/Prospectus with the Designated Stock Exchange/SEBI/ROC**

The Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the material contracts and documents required to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>.

**Listing:**

The Equity Shares of our Company are proposed to be listed on BSE (SME platform of BSE). Our Company has obtained in-principle approval from BSE by way of its letter dated August 22, 2023 for listing of equity shares on SME Platform of the BSE.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. 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 forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the

prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

**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-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. 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 to action under section 447 of the Companies, Act 2013

**Consents:**

The written consents of (a) Our Directors, Our Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker to the Issue (Sponsor Bank)\*, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of filing of the Prospectus with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Dhanesh Amritlal & Associates, Chartered Accountants, Statutory Auditor and M/s. R K Jagetiya & Co., Chartered Accountants, Peer Review Auditor of the Company have agreed to provide their written consent to the inclusion of their respective reports on “Statement of Special Tax Benefits” relating to the possible tax benefits and Restated Financial Statements as included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus for filling with Roc.

**Experts Opinion:**

Except for the reports in the section “*Statement of Special Tax Benefits*”, “*Financial Information of the Company*” “*Statement of Financial Indebtedness*” on page 71, 129 and 162 respectively of this Prospectus from the Peer Review Auditor, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors for inclusion of their name in this Prospectus, as required under Companies Act read with SEBI (ICDR) Regulations as “**Expert**”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “**expert**” as defined under the U.S. Securities Act, 1933.

**Fees, Brokerage and Selling Commission payable:**

The total fees payable to the Lead Manager will be as per the (i) Lead manager Agreement dated June 19, 2023 with the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated July 15, 2023 with Underwriter and (iii) the Market Making Agreement dated July 15, 2023 with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Issue Closing Date.

**Fees Payable to the Registrar to the Issue:**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk

mailing register will be as per the agreement between our Company and the Registrar to the Issue dated June 08, 2023 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

**Particulars regarding Public or Rights Issues during the last five (5) years:**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Prospectus.

**Previous issues of Equity Shares otherwise than for cash:**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 50 of this Prospectus.

**Underwriting Commission, brokerage and selling commission on Previous Issues:**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares in last five (5) years.

**Particulars in regard to our Company and other listed subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-a-vis objects – Public/right issue of our Company:**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 50 our Company has not undertaken any previous public or rights issue.

**Option to Subscribe:**

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares:**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

**Partly Paid-Up Shares**

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

**Outstanding Convertible Instruments:**

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

**Stock Market Data of the Equity Shares:**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

**Mechanism for Redressal of Investor Grievances:**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of this Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

Investors may contact the LM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, LM 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:**

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on June 20, 2023 For further details, please refer to section titled "**Our Management**" beginning on page 111 of this Prospectus.

Our Company has also appointed **Mithun Patel** as the Company Secretary and Compliance Officer of our company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

Mithun Patel

**Company Secretary & Compliance Officer**

**Kahan Packaging Limited**

212, Jhalawar Service Premises, E S Patanwalla Compound,

LBS Marg, Ghatkopar West, Mumbai 400086, Maharashtra, India.

**Tel. No.:** +91-22-25004605



Email: [info@kahanpackaging.com](mailto:info@kahanpackaging.com)

Website: [www.kpackltd.com](http://www.kpackltd.com)

**Status of Investor Complaints:**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

**Disposal of investor grievances by listed companies under the same management as our Company:**

We do not have any listed company under the same management.

**Tax Implications:**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Special Tax Benefits*" beginning on page 71 of this Prospectus.

**Purchase of Property:**

Other than as disclosed in Section "*Our Business*" beginning on page 87, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus.

Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

**Capitalization of Reserves or Profits:**

Except as disclosed under section titled "*Capital Structure*" beginning on page 50 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

**Revaluation of Assets:**

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.

**Servicing Behavior:**

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of our Company:**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled "*Our Management*" beginning on page 111 and chapter titled "*Financial Information*" beginning on page 129 none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI:**

As on date of the Prospectus, Our Company has not applied for or received any exemption from complying with any provisions of SEBI (ICDR) Regulations.

## **SECTION VIII: ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, 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 GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*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 issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*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.*

#### **Authority for the Issue**

The present Public Issue of 7,20,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on June 17, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on June 19, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, ‘**Main Provisions of Article of Association**’, beginning on page 224 of this Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 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 128 and 224 respectively of this Prospectus.

### **Face Value and Issue Price**

The Equity Shares having a Face Value of Rs. 10.00 each are being offered in terms of this Prospectus at the price of Rs. 80 per Equity Share (including premium of Rs.70 per share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled "**Basis for Issue Price**" beginning on page 66 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

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

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

#### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

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

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

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 224 of this Prospectus.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated January 22, 2019 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated June 19, 2023 between CDSL, our Company and Registrar to the Issue.

### **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 1600 Equity Shares and the same may be modified by the BSE SME (SME platform of BSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1600 Equity Shares is subject to a minimum allotment of 1600 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the 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 collected shall be unblocked forthwith.

### **Jurisdiction**

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

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered Office of our Company or to the Registrar and Transfer Agents of our Company.

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

- (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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

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

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

<b>Event</b>	<b>Indicative Dates</b>
Issue Opening Date	September 06, 2023
Issue Closing Date	September 08, 2023

Finalization of Basis of Allotment with the Designated Stock Exchange	On or about September 13, 2023
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account	On or about September 14, 2023
Credit of Equity Shares to Demat Accounts of Allottees	On or about September 15, 2023
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about September 18, 2023

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the 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 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Prospectus is IST.

Applicants are cautioned that, in the event a large number of 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.

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 Stock may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

\*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 ₹ 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 ₹ 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 ₹ 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 ₹ 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 ₹ 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

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date

of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "**General Information - Underwriting**" on page 46 of this Prospectus.

Further, in accordance with Regulation 267 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.

### **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:

If the Paid-up Capital of the 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 promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we 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 promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE ("BSE SME"), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME Platform of BSE ("BSE SME").

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled "**General Information - Details of the Market Making Arrangements for this Issue**" on page 47 of this Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 1600 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 ("BSE SME").

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.**

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

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

#### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

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

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "*Capital Structure*" beginning on page 50 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 224 of this Prospectus.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

**ISSUE STRUCTURE**

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten 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 BSE SME i.e. SME platform of BSE). 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 191 and 200 of this Prospectus.

**Issue Structure:**

Initial Public Issue of 7,20,000 Equity Shares of Rs. 10 each (the "**Equity Shares**") for cash at a price of Rs. 80 per Equity Share (including a Share Premium of Rs. 70 per Equity Share), aggregating up to Rs. 576.00 Lakhs ("**the Issue**") by the issuer Company (the "**Company**").

The Issue comprises a reservation of 40,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("**the Market Maker Reservation Portion**") and Net Issue to Public of 6,80,000 Equity Shares of Rs. 10 each ("**the Net Issue**"). The Issue and the Net Issue will constitute 26.47% and 25.00%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation<sup>(1)</sup></b>	6,80,000 Equity Shares	40,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	25.00% of the Issue Size	5.56% of the Issue Size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 1600 Equity Shares and further allotment in multiples of 1600 Equity Shares each. For further details please refer to " <b>Issue Procedure - Basis of Allotment</b> " on 200 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through ASBA Process (for Non-Retails Investors) and through UPI Mechanism (for retail Investors).	Through ASBA Process Only.
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
<b>Minimum Application Size</b>	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of 1600 Equity Shares at an Issue price of Rs. 80 each, such that the Application Value exceeds Rs. 2,00,000/-  <b><u>For Retail Individuals Investors:</u></b> 1600 Equity Shares at an Issue price of Rs. 80 each.	40,000 Equity Shares
<b>Maximum Application Size</b>	<b><u>For Other than Retails Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of 1600 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	40,000 Equity Shares
<b>Trading Lot</b>	1600 Equity Shares	1600 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.



Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Terms of Payment<sup>(2)</sup></b>	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form. In case of UPI as an alternate mechanism, application amount shall be blocked at the time of confirmation of mandate collection request by applicant.	
<b>Application Lot Size</b>	1600 Equity Share and in multiples of 1600 Equity Shares thereafter	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “**Issue Structure**” on page 197 of this Prospectus.

<sup>1)</sup> Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- 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;

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

<sup>2)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Note: If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.**

#### Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) registration of the Prospectus with ROC.

#### Issue Programme

<b>ISSUE OPENING DATE</b>	Wednesday, September 06, 2023
<b>ISSUE CLOSING DATE</b>	Friday, September 08, 2023

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Application form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays)

## **ISSUE PROCEDURE**

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. 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 08, 2019.

Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 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 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of

blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## **PART A**

### **Fixed Price Issue Procedure**

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 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 shall be offered to Non-Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**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 dematerialized form. 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 the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.**

## **Application Form**

Retail Individual Applicants can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange, the BSE SME (www.bseindia.com), at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

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.

Pursuant to SEBI Circular dated January 1, 2016 and bearing no. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

<b>Category</b>	<b>Colour*</b>
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

*\*Excluding Electronic Application Form*

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for making an Application in terms of the Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries’)

<b>Sr. No.</b>	<b>Designated Intermediaries</b>
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	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')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

5.	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)
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*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the application form.*

*The aforesaid intermediary 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.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

### **Who can apply?**

Each Applicant should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies.

Subject to the above, an illustrative list of Applicants is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the

- Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
  - c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
  - d) Mutual Funds registered with SEBI;
  - e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
  - f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
  - g) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
  - h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
  - i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant 's category;
  - j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
  - k) Foreign Venture Capital Investors registered with the SEBI;
  - l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
  - m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
  - n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
  - o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
  - p) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
  - q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
  - r) Insurance funds set up and managed by army, navy or air force of the Union of India;
  - s) Multilateral and bilateral development financial institution;
  - t) Eligible QFIs;
  - u) Insurance funds set up and managed by army, navy or air force of the Union of India;
  - v) Insurance funds set up and managed by the Department of Posts, India;
  - w) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- 1. Minors (except through their Guardians)
- 2. Partnership firms or their nominations
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

**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 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains 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 share allocation.**

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **1. For Retail Individual Applicants**

The Application must be for a minimum of 1600 Equity Shares and in multiples of 1600 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 1600 Equity Shares thereafter. 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 Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the 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).

For applications where the proportionate allotment works out to less than 1600 Equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted 1600 Equity shares; and
2. The successful applicants out of the total applicants for that category shall be determined by the drawl 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.

If the proportionate allotment to an applicant works out to a number that is not a multiple of 1600 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 1600 Equity shares subject to a minimum allotment of 1600 Equity shares.

If the Shares allotted 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. If as a result of the process of rounding off to the nearest multiple of 1600 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:



1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
2. The balance net Issue of shares to the public shall be made available for allotment to
  - a. Individual applicants other than retails individual investors and
  - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net Issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

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 Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **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.

#### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Applicants:**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be file with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the offer document will be available with the, the Lead Manager to the Issue, 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 Stock Exchange.
4. Any applicant who would like to obtain the offer documents and/or the Application Form can obtain the same from our registered Office.
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 DesignatedIntermediaries. 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. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such application forms that do not contain such details are liable to be rejected.
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 SCSB's 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 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 person 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.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non-Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

#### **Applications by eligible NRIs on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

#### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such

FII's can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 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 RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

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 investor 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, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it 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. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. 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. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

#### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

#### **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 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 LLP 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 registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, 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 Scheme) (5th Amendment) Regulations, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- i. Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- ii. The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- iii. The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

#### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, 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 their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Applications by Systemically Important Non-Banking Financial Companies**

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **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 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.

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

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.

### **Terms of payment**

The entire Issue price of Rs. 80 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 to unblock the excess amount paid on Application to the Applicants.

SCSBs 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.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism**

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. The SCSB 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, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

#### ***Who can apply through UPI Mode:***

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

### **PROCESS**

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

### **BLOCKING OF FUNDS:**

- a) Investors shall create UPI ID

- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form Kahan Packaging Limited
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

#### **UNBLOCKING OF FUNDS:**

- a) After the Issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public Issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the Issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment of the same shall be revised by using UPI ID only.

#### **REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

#### **LIST OF BANKS PROVIDING UPI FACILITY**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

#### **Electronic Registration of Applications**

1. The Designated Intermediaries will 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 5.00 p.m. of 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 by Applicants, 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 Manager 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 off-line 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 Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. 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 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.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
  9. 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.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. 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.
  12. 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 this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 5.00 p.m. on 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.
  14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
  15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein 40,000 Equity Shares shall be reserved for Market Maker and 3,40,800 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company has entered into an Underwriting Agreement dated July 15, 2023.
- b) A copy of Prospectus will be filed with the ROC in terms of Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

### **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 SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;

- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, helpline details of the Lead Manager pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see "**General Information –Lead Manager**" on page 42 of this Prospectus.

**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 Manager 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.

**Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size. The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

### **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 Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.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 ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, 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.

### **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.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **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 2 (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 (SME platform of BSE) where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. 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.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM 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.

### **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."*

### **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 6 (six) Working days of Issue Closing Date.
- 3) That if the 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;
- 4) That our Promoters' contribution in full has already been brought in;

- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Issue document with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 7) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 8) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 9) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 10) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- 11) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 12) That none of the promoters or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

**Utilization of Issue Proceeds:**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

**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 has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated January 22, 2019 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated June 19, 2023 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE04T901017.

## **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 Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The 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.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

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.

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 ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated 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. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 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. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.



Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such Issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

*Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.*

*The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on June 19, 2023. In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.*

### **INTERPRETATION**

- I 1. In these regulations-
  - b. "the Act" means the Companies Act, 2013,
  - c. "the seal" means the common seal of the company.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company 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.
2.
  - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon.
  - iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3.
  - i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5.
  - i. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6.
  - i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **LIEN**

9.
  - i. The company shall have a first and paramount lien
    - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
    - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
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 clause.
  - ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
  - iii. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made-
  - a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11.
  - i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
  - ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.

- iii. 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.
- 12.
- i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### **CALLS ON SHARES**

- 13.
- i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
  - ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - iii. A call may be revoked or postponed at the discretion of the Board.
  - iv. That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

The Board shall be at liberty to waive payment of any such interest wholly or in part.

- 17.
- i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board -
- a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and
  - b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **TRANSFER OF SHARES**

- 19.
- i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor

and transferee.

- ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
  - iii. That a common form of transfer shall be used
20. i. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- ii. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - iii. any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless—
- a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c. the instrument of transfer is in respect of only one class of shares.

That registration of 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 Issuer on any account whatsoever

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **TRANSMISSION OF SHARES**

23. i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
  - iii. That a common form of transmission shall be used
24. i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
- a. to be registered himself as holder of the share; or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
- ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the

registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall-

- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30.
  - i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31.
  - i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32.
  - i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - iii. The transferee shall thereupon be registered as the holder of the share; and
  - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment 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.

### **ALTERATION OF CAPITAL**

34. 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.
35. Subject to the provisions of section 61, the company may, by ordinary resolution-
- i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and
  - iv. 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.
  - v. Permission for sub-division/ consolidation of share certificates
36. Where shares are converted into stock,—
- the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
  - Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-
- its share capital;
  - any capital redemption reserve account; or
  - any share premium account.

### **CAPITALISATION OF PROFITS**

38. The company in general meeting may, upon the recommendation of the Board, resolve-
- i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - ii. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - iii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-
    - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;



- c. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - iv. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - v. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 39.
- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall-
    - a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all
    - b. allotments and issues of fully paid shares if any; and
    - c. generally do all acts and things required to give effect thereto.
  - ii. The Board shall have power-
    - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
    - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
  - iii. Any agreement made under such authority shall be effective and binding on such members

#### **BUY-BACK OF SHARES**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 42.
- i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 43.
- i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **ADJOURNMENT OF MEETING**

47.
  - i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
  - ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,
  - i. on a show of hands, every member present in person shall have one vote;
  - ii. and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
  - iii. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50.
  - i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded maybe proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54.
  - i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **PROXY**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57. 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 the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following are the First Directors of the Company:
1. Prashant Jitendra Dholakia
  2. Rohit Jitendra Dholakia
  3. Jagruti Rohit Dholakia
  4. Purvi Prashant Dholakia

59. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-

- in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **PROCEEDINGS OF THE BOARD**

65. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

- ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. i. A committee may elect a Chairperson of its meetings.
- ii. If no such Chairperson is elected, or if at any meeting the 72 Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. i. A committee may meet and adjourn as it thinks fit.
- ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR  
CHIEF FINANCIAL OFFICER**

74. Subject to the provisions of the Act,
- i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**THE SEAL**

76.     i.   The Board shall provide for the safe custody of the seal.
- ii.   The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

77.   The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78.   Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79.     i.   The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- ii.   The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80.     i.   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.
- ii.   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.
- iii.   All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
81.   The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82.     i.   Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- ii.   Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83.   Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84.   Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85.   No dividend shall bear interest against the company.

### **ACCOUNTS**

86.     i.   The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- ii.   No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **WINDING UP**

87.   Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- i.   If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii.   For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii.   The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **INDEMNITY**

88.   Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated June 19, 2023 between our Company and the Lead Manager to the Issue.
2. Agreement dated June 08, 2023 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated July 15, 2023 among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated July 15, 2023 between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated July 15, 2023 between our Company, Lead Manager and Underwriter.
6. Tripartite Agreement dated January 22, 2019 among NDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated June 19, 2023 among CDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated February 19, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai.
3. Copy of Certificate of Commencement of Business dated March 14, 2013 issued by the Registrar of Companies, Maharashtra, Mumbai.
4. Copy of the Board Resolution dated June 17, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated June 19, 2023 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the financial year ended March 31 2023, 2022 and 2021.
7. Peer Review Auditors Report dated August 10, 2023 on the Restated Financial Statements for the financial years ended March 31 2023, 2022 and 2021.
8. Copy of the Statement of Tax Benefits dated June 20, 2023 from the Peer Review Auditor.
9. Certificate on KPI's issued by Peer Review Auditor dated August 10, 2023.
10. Consents of the Lead Manager to the Issue, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue/ Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Bankers to our Company, Directors, Promoters, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated June 30, 2023 for approval of Draft Prospectus and dated August 31, 2023 for approval of Prospectus.
12. Due Diligence Certificate from Lead Manager dated June 30, 2023.
13. Approval from BSE vide letter dated August 22, 2023 to use the name of BSE in the Prospectus for listing of Equity Shares on the BSE SME platform.

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Prashant Jitendra Dholakia Chairman & Managing Director DIN: 06428389	Sd/-

Date: August 31, 2023

Place: Mumbai, Maharashtra



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Name and Designation	Signature
Rohit Jitendra Dholakia Whole Time Director DIN: 05302050	Sd/-

Date: August 31, 2023

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Purvi Prashant Dholakia Whole Time Director & CFO DIN: 05302029	Sd/-

Date: August 31, 2023

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Jagruti Rohit Dholakia Non-Executive Director DIN: 05302006	Sd/-

Date: August 31, 2023

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Naman Hareesh Patel Independent Director DIN: 10200283	Sd/-

Date: August 31, 2023

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Tushar Rameshchandra Shah Independent Director DIN: 10200280	Sd/-

Date: August 31, 2023

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mithun Patel Company Secretary & Compliance officer M. No.: A43753	Sd/-

Date: August 31, 2023

Place: Mumbai, Maharashtra