

**NANDAN TERRY LIMITED**

Our Company was originally incorporated on January 27, 2015 as a private limited company under the name and style of "Nandan Terry Private Limited" under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra. Subsequently, our company was converted into public limited company *vide* special resolution passed by our shareholders at the Extraordinary General Meeting held on July 30, 2021 and the name of our Company was changed to "Nandan Terry Limited" pursuant to issuance of fresh certificate of incorporation dated August 12, 2021 by Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U17291MH2015PLC261384.

Registered Office: Unit No.109, Peninsula Centre, Dr. S.S. Rao Road, Behind Piramal Chambers, Parel (E) Mumbai – 400012, Maharashtra;

Corporate Office: Shanti Corporate House, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380058, Gujarat

Tel. No.: +91-8780516686, **E-mail:** cs@nandanterry.com, **Website:** www.nandanterry.com;

Contact Person: Deval Bakulkumar Patel, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: VEDPRAKASH CHIRIPAL, BRIJMOHAN D CHIRIPAL, CHIRIPAL EXIM LLP AND DEVKINANDAN CORPORATION LLP**THE ISSUE**

INITIAL PUBLIC ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF NANDAN TERRY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE), AGGREGATING ₹ 25,496.17 LAKH (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●] % OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY, IN CONSULTATION WITH THE BRLMS, IS CONSIDERING A PRE-IPO PLACEMENT OF SUCH NUMBER OF EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 4,000 LAKH, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO COMPLIANCE WITH THE MINIMUM OFFER SIZE REQUIREMENTS PRESCRIBED UNDER REGULATION 19(2)(B) OF SCRR.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], THE ENGLISH NATIONAL NEWSPAPER, ALL EDITIONS OF [●], THE HINDI NATIONAL NEWSPAPER AND [●] EDITIONS OF [●], THE REGIONAL NEWSPAPER, (MARATHI BEING THE LOCAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS SITUATED), EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES" FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

IN CASE OF ANY REVISION IN THE PRICE BAND, THE BID/ISSUE PERIOD WILL BE EXTENDED BY AT LEAST THREE ADDITIONAL WORKING DAYS AFTER SUCH REVISION IN THE PRICE BAND, SUBJECT TO THE BID/ISSUE PERIOD NOT EXCEEDING 10 WORKING DAYS. IN CASES OF FORCE MAJEURE, BANKING STRIKE OR SIMILAR CIRCUMSTANCES, OUR COMPANY IN CONSULTATION WITH THE BRLMS, FOR REASONS TO BE RECORDED IN WRITING, EXTEND THE BID/ISSUE PERIOD FOR A MINIMUM OF THREE WORKING DAYS, SUBJECT TO THE TOTAL BID/ISSUE PERIOD NOT EXCEEDING 10 WORKING DAYS. ANY REVISION IN THE PRICE BAND AND THE REVISED BID/ISSUE PERIOD, IF APPLICABLE, SHALL BE WIDELY DISSEMINATED BY NOTIFICATION TO THE STOCK EXCHANGES, BY ISSUING A PUBLIC NOTICE, AND ALSO BY INDICATING THE CHANGE ON THE RESPECTIVE WEBSITES OF THE BRLMS AND AT THE TERMINALS OF THE SYNDICATE MEMBERS AND BY INTIMATION TO THE DESIGNATED INTERMEDIARIES AND THE SPONSOR BANK, IN COMPLIANCE WITH THE SEBI ICDR REGULATIONS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE OF ₹ [●] IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company, in consultation with the BRLMS, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders (except Anchor Investors) are required to mandatorily participate in the Issue only through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts (including UPI ID in case of RIIs using UPI Mechanism) which will be blocked by the SCSBs, or the bank accounts linked with the UPI ID, as applicable, to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see the chapter titled "Issue Procedure" beginning on page 414 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10/- each. The Floor Price, Cap Price and Issue Price (as determined by our Company, in consultation with the BRLMS, in accordance with the SEBI ICDR Regulations, as stated under "Basis for Issue Price" on page 126 of this Draft Red Herring 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 38 of this Draft Red Herring Prospectus.**




COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of our Company offered through this Draft Red Herring Prospectus are proposed to be listed on BSE and NSE, in terms of the Chapter II of the SEBI ICDR Regulations. Our Company has received In-Principle approval letter dated [●] from NSE and [●] from BSE, for using its name in the Issue document for listing of our shares on the Stock Exchanges in India. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see the chapter titled "Material Contracts and Documents for Inspection" beginning on page 479 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGERS TO THE ISSUE**REGISTRAR TO THE ISSUE**

 <p>HOLANI CONSULTANTS PRIVATE LIMITED 401 – 405 & 416 – 418, 4th Floor, Soni Paris Point, Jai Singh Highway, Bani Park, Jaipur – 302016 Tel.: +91 141 2203996 Fax: +91 141 2201259 Website: www.holaniconsultants.co.in Email: ipo@holaniconsultants.co.in Investor Grievance ID: complaints.redressal@holaniconsultants.co.in Contact Person: Mr. Vipin Gupta SEBI Registration No.: INM000012467</p>	 <p>BOI MERCHANT BANKERS LIMITED Star House 2, Plot No C-4, "G" Block, 1st Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400051 Tel.: +91 22 61312906 Website: www.boimb.com Email: info@boimb.com Fax: NA Investor Grievance ID: compliance@boimb.com Contact Person: Mr. Sanjay M Phadke SEBI Registration No.: INM000012201</p>	 <p>LINK INTIME INDIA PRIVATE LIMITED C – 101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel: +91 22 49186200 Fax: +91 22 49186195 Website: www.linkintime.co.in Email: nandan@linkintime.co.in Investor Grievance ID: nandan@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058</p>
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BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON: [●]* **BID/ISSUE CLOSES ON: [●]****

*Our Company, in consultation with the BRLMS, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date, i.e., [●].

** Our Company, in consultation with the BRLMS, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Issue, including the merits and risks involved. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“**U.S. Securities Act**”) or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws.

Accordingly, the Equity Shares are being offered and sold outside the United States in ‘off-shore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares have not been and will not be register, listed or otherwise qualified in any other jurisdiction outside India and may not be offered and sold, and application may not be made by person in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring 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, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in chapters titled “**Industry Overview**”, “**Key Regulations and Policies**”, “**Statement of Special Tax Benefits**”, “**Restated Financial Statements**”, “**Basis for Issue Price**”, “**History and Certain Corporate Matters**”, “**Financial Indebtedness**”, “**Other Regulatory and Statutory Disclosures**”, “**Outstanding Litigations and Material Developments**” and “**Description of Equity Shares and Terms of Articles of Association**” beginning on pages 134, 191, 131, 250, 126, 205, 364, 389, 368, and 437, respectively of this Draft Red Herring Prospectus, shall have the meaning ascribed to them in the relevant section.*

General Terms

Term	Description
our Company / the Company / the Issuer	Nandan Terry Limited, a company incorporated under the Companies Act, 2013 and having its Registered Office at Unit No.109, Peninsula Centre, Dr. S.S. Rao Road, Behind Piramal Chambers, Parel (E), Mumbai – 400012, Maharashtra
we / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
Articles of Association / AoA/ Articles	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Company, constituted on August 14, 2021 in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, as described in the chapter titled “ Our Management ” beginning on page 209 of this Draft Red Herring Prospectus
Auditor / Statutory Auditor	Statutory auditor of our Company, being C. N. Somani & Associates, Chartered Accountants holds a valid peer review certificate dated December 18, 2018
Bankers to the Company	Such banks which are disclosed as Bankers to the Company in the chapter titled “ General Information ” beginning on page 87 of this Draft Red Herring Prospectus
Board / Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Chairman / Chairperson	Chairman of Board of Directors of our Company being Vedprakash Chiripal

Term	Description
Chief Financial Officer (CFO)	Chief Financial Officer of our Company being Anshuman Srivastava
CIN	Corporate identification number of our Company being U17291MH2015PLC261384, unless otherwise specified
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company being Deval Bakulkumar Patel
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company, constituted on August 14, 2021 in accordance with Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of which are provided in the chapter titled “ Our Management ” beginning on page 209 of this Draft Red Herring Prospectus
Corporate Office	Shanti Corporate House, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380058, Gujarat
CSP	Cutting, stitching and packing facility of our Company
Dholi Unit I	Spinning facility of our Company situated at Survey No. 679 (Old Survey no. 350), Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad - 382240, Gujarat
Dholi Unit II	Dyeing facility of our Company situated at Survey No. 642 (Old Survey no. 353), Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad – 382240, Gujarat
Dholi Unit III(A)	Weaving facility of our Company situated at Survey No. 635, 639 and 638 (Old Survey nos. 357/A/5 and 357/A/6) Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad – 382240, Gujarat
Dholi Unit III(B)	CSP facility of our Company situated at Survey No. 635, 639 and 638 (Old Survey nos. 357/A/5 and 357/A/6) Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad – 382240, Gujarat
Director(s)	Directors on our Board, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹10/- each
Equity Shareholders / Shareholders	Persons/ Entities holding Equity Shares of our Company
Executive Director	Executive director of our Company
Finance and Investment Committee	Finance and investment committee of our Company, the details of which are provided in the chapter titled “ Our Management ” beginning on page 209 of this Draft Red Herring Prospectus
Financial Statements as Restated / Restated Financial Statements	The Financial Statement as Restated of our Company for the period ending on September 30, 2021 and for the financial years ended March 31, 2021, 2020 and 2019 which comprises the restated summary statement of assets & liabilities, the restated statement of profit and loss and restated summary of cash flows along with all the schedules and notes thereto and included in the chapter titled “ Restated Financial Statements ” beginning on page 250 of this Draft Red Herring Prospectus
Group Company/ Group Companies	Such companies as are included in the chapter titled “ Our Group Companies ” beginning on page 242 of this Draft Red Herring Prospectus
Independent Directors	Independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and SEBI LODR Regulations, the details of whom are provided in the chapter titled “ Our

Term	Description
	Management beginning on page 209 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number, in this case being INE0J6M01011
Key Management Personnel/ Key Managerial Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, and as described in the chapter titled “Our Management” beginning on page 209 of this Draft Red Herring Prospectus
Materiality Policy	The policy adopted by our Board on August 14, 2021 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MoA / Memorandum of Association / Memorandum	Memorandum of association of our Company, as amended from time to time
Managing Director	The Managing Director of our Company being, Brijmohan D Chiripal
Nomination and Remuneration Committee / NRC	Nomination and remuneration committee of our Company, constituted on August 14, 2021 in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in the chapter titled “Our Management” beginning on page 209 of this Draft Red Herring Prospectus
Piplej Unit	Process house of our Company situated at Survey No. 185/1 of T.P.S. No 125, Saijpur-Gopalpur, Pirana Road, Vatva, Ahmedabad, Gujarat – 382405
Promoters / Promoter / our Promoters	Our Promoters, namely, Vedprakash Chiripal, Brijmohan D Chiripal, Chiripal Exim LLP and Devkinandan Corporation LLP
Promoter Group	Persons and entities constituting the promoter group in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations. For further details, see the chapter titled “Our Promoters and Promoter Group” beginning on page 233 of this Draft Red Herring Prospectus
Registered Office	Unit No.109, Peninsula Centre, Dr. S.S. Rao Road, Behind Piramal Chambers, Parel (E) Mumbai – 400012, Maharashtra
Registrar of Companies / RoC	Registrar of Companies, 100, Everest, Marine Drive, Mumbai – 400002, Maharashtra
Stakeholders’ Relationship Committee	Stakeholders’ relationship and share transfer committee of our Company, constituted on August 14, 2021 in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in the chapter titled “Our Management” beginning on page 209 of this Draft Red Herring Prospectus
You / Your / Yours	Prospective investors in the Issue

Issue Related Term

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Bidders
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, in to which the application money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allottee(s)	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 1000 lakh
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs during the Anchor Investor Bid/Issue Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period or Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after

Term	Description
	the Bid/Issue Closing Date.
Application Supported by Blocked Amount / ASBA	An Application, whether physical or electronic, used by ASBA Bidders Applicants other than Anchor Investors, to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a RIBs which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Bids can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad and Jaipur
ASBA Bidders	All Bidders except Anchor Investors in the Issue who intend to submit a Bid
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue/ Refund Banker to the Issue/ Public Issue Bank	The bank(s) which are clearing members and registered with SEBI as Banker(s) to an Issue with whom the Public Issue Account and Refund Account will be opened, in this case being [●]
Bankers to the Issue Agreement	Banker to the Issue Agreement entered on [●] amongst our Company, BRLMs, the Registrar to the Issue and Public Issue Bank/ Banker(s) to the Issue / Sponsor Bank for collection of the Bid Amount on the terms and conditions thereof
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter titled " Issue Structure " beginning on page 410 of this Draft Red Herring Prospectus
Bid(s)	Indication to make an offer during the Bid/Issue Period by an ASBA Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by an Anchor Investor, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires

Term	Description
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bidding	The process of making the Bid
Bid/ Issue Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of an English national daily newspaper and all editions of a Hindi national daily newspaper and an edition of a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations.</p> <p>Our Company, in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.</p>
Bid/ Issue Opening Date	<p>Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of an English national daily newspaper and all editions of a Hindi national daily newspaper and an edition of a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations.</p>
Bid/ Issue Period	<p>Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof</p>
Bidder or Applicant	<p>Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor</p>
Bidding / Collection Centres	<p>Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs</p>
BOIMBL / BOIMB	BOI Merchant Bankers Limited
Book Building Process / Book Building Method	<p>The Book building process provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made</p>
Book Running Lead Managers / BRLMs	<p>Book Running Lead Managers to the Issue in this case being Holani Consultants Private Limited and BOI Merchant Bankers Limited, SEBI Registered Category I Merchant Bankers</p>
Broker Centres	<p>Centres notified by the Stock Exchanges where ASBA Bidders can</p>

Term	Description
	<p>submit the ASBA Forms to a Registered Broker</p> <p>The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)</p>
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant / CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Controlling Branches/ Designated Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Book Running Lead Managers, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	<p>Issue Price, finalised by our Company in consultation with the BRLMs, which shall be any price within the Price Band.</p> <p>Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price</p>
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Depository/ Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated CDP Locations	<p>Such locations of the CDPs where Bidders can submit the ASBA Forms.</p> <p>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.</p>
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction

Term	Description
	issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, after finalisation of Basis of Allotment, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Issue
Designated Intermediary(ies)	Collectively, the Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders in the Issue.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com respectively) as updated from time to time
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus / DRHP	This draft red herring prospectus dated December 10, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom Bid cum Application Form and the Draft Red Herring Prospectus constitutes an invitation to purchase the Equity Shares issued thereby and who have opened dematerialized accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations
Escrow Account(s)	Accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●]
First or sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names

Term	Description
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
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (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, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, 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, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 issued by SEBI, and the circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges, and the BRLMs.
HCPL	Holani Consultants Private Limited
Issue / Issue Size/ Initial Public Offer/ Initial Public Issue/ IPO	The issue of up to [●] Equity Shares of face value of ₹10/- each for cash at a price of ₹ [●]/- each (including premium of ₹ [●]/- per Equity Share) aggregating up to ₹ 25,496.17 lakh. <i>*Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 4000 lakh, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the fresh Issue size will be reduced to the extent of such Pre-IPO Placement subject to compliance with the minimum offer size requirements prescribed under Regulation 19(2)(b) of SCRR.</i>
Issue Agreement	Agreement dated December 07, 2021 entered amongst our Company and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Issue Proceeds / Gross Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see the chapter titled " Objects of the Issue " beginning on page 114 of this Draft Red Herring Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and Stock Exchanges.

Term	Description
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIBs to submit Applications using the UPI Mechanism
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement dated [●] entered into between our Company and the Monitoring Agency.
Mutual Fund(s)	A Mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Issue Price
National Payments Corporations of India (NPCI)	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Bank Association (IBA)
NIF	National Investment Fund set up by resolution F. No. 2/3/2005 – DD – II dated November 23, 2005 of Government of India published in the Gazette of India
Net Proceeds	Proceeds of the Issue less our Company's share of the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see the chapter titled " Objects of the Issue " beginning on page 114 of this Draft Red Herring Prospectus
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
NBFC - SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Non-Institutional Bidders / Non-Institutional Investors	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 2 Lakh (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue, being not less than 15% of the Net Issue or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRI
OCB/ 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 beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Bidders other than Retail Individual Investors and other

Term	Description
	investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Person/ 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
Pre – IPO Placement	<p>A further issue of such number of Equity Shares for cash consideration aggregating up to ₹ 4,000 lakh which may be undertaken by our Company, in consultation with the BRLMs, at its discretion in favour of such investors as permissible under applicable laws, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus.</p> <p>If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum offer size requirements prescribed under Regulation 19(2)(b) of SCRR.</p>
Price Band	<p>The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof.</p> <p>The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company, in consultation with the BRLMs, will be advertised, in all editions of an English national daily newspaper and all editions of a Hindi national daily newspaper and an edition of a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation , at least two Working Days prior to the Bid/ Issue Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites</p>
Pricing Date	Date on which our Company in consultation with the BRLMs will finalize the Issue Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	Bank account to be opened with the Public Issue Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account(s) will be opened, in this case being [●].
Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss)

Term	Description
or QIBs	of the SEBI ICDR Regulations
QIB Bidders	QIBs who Bid in the Issue.
QIB Portion	The portion of the Issue, being not more than 50% of the Net Issue or [●] Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors)
QIB Bid/ Issue Closing Date	In the event our Company in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Issue Closing Date, the date one day prior to the Bid/Issue Closing Date; otherwise, it shall be the same as the Bid/Issue Closing Date.
Red Herring Prospectus / RHP	The Red Herring Prospectus dated [●] to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s)	Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
Registrar Agreement	Agreement dated December 01, 2021 entered amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI
Registrar to the Issue/ Registrar	Registrar to the Issue, in this case being Link Intime India Private Limited
Regulation S	Regulation S under the U.S. Securities Act.
Retail Individual Bidder(s) / RIB(s)/ Retail Individual Investors/RIIs	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion	The portion of the Issue, being not less than 35% of the Net Issue or

Term	Description
	[●] Equity Shares, available for allocation to Retail Individual Bidders as per SEBI ICDR Regulations, subject to valid Bods being received at or above the Issue Price, which shall not be less than the minimum Bid lot, subject to availability in the Retail Portion.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/Issue Closing Date
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations
Reserved Category/ Categories	Categories of persons eligible for making applications under reservation portion
Resident Indian	A person resident in India, as defined under FEMA
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014 as amended from time to time
Securities Law	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
Self-Certified Syndicate Bank(s) / SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	Bank registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI, the Sponsor

Term	Description
	Bank in this case being [●].
Sub Syndicate Member	A SEBI registered member of stock exchange(s) appointed by the BRLMs and/or Syndicate member(s) to act as a Sub Syndicate Member in the Issue, to collect ASBA Forms and Revision Forms.
Syndicate / Members of the Syndicate	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement dated [●] between our Company, the Registrar to the Issue, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Issue and carry out activities as an underwriter namely, [●]
Transaction Registration Slip/TRS	The slip or document issued by the Syndicate or SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	[●]
Underwriting Agreement	Agreement dated [●] between the Underwriters and our Company, entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai

Term	Description
	are open for business. In respect of the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
CCI	The Competition Commission of India
CDP	Collecting Depository Participants
CGST Act	Central Goods and Services Tax Act, 2017
CGWA	Central Ground Water Authority
CIS	Capital Investment Subsidy
Competition Act	The Competition Act, 2002
COPRA, 2019	The Consumer Protection Act, 2019
Cotton Order	The Cotton (Control) Order, 1986
CS	Company Secretary
CSP	cutting, stitching and packing
CTE	Consent to Establish
DDT	Dividend distribution tax
DEPB	The Duty Entitlement Passbook Scheme
Designs Act	The Designs Act, 2000
DGFT	Directorate General of Foreign Trade
DTA	Domestic Tariff Area
EC Act	The Employees Compensation Act, 1923
Electricity Act	The Electricity Act, 2003
EPA	The Environment (Protection) Act, 1986
EPCG Scheme	The Export Promotion Capital Goods Scheme
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESI Act	The Employees' State Insurance Act, 1948
Factories Act	Factories Act, 1948
FTA	The Foreign Trade (Regulation and Development) Act, 1992
GECL	Guaranteed Emergency Credit Line
Hazardous Waste Rules	The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
IEC	Importer-Exporter Code Certificate
IEM	Industrial Entrepreneur Memorandum
IGST Act	Integrated Goods and Services Tax Act, 2017
LM Act	The Legal Metrology Act, 2009
MIM structure	Multiple Investment Manager Structure
MSMEs	Micro, Small and Medium Enterprises
NTP 2000	The National Textile Policy, 2000
Patents Act	The Patents Act, 1970

Term	Description
PLI Act	The Public Liability Insurance Act, 1991
POSH Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
R&D	Research and Development
RIB	Resurgent India Bonds
RTA	Registrar and Share Transfer Agents
SEZ	Special Economic Zones
SGST Acts	State Goods and Services Acts
Tax Amendment Act 2019	Taxation Laws (Amendment) Act, 2019
Trademarks Act	The Trademarks Act, 1999
TCS	The Textiles Committee Act, 1963
Textile Order	The Textile (Development and Regulation) Order, 2001
TUFS	Technology Up-Gradation Fund Scheme
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	The Water (Prevention and Control of pollution) Cess Act, 1977
Welfare Fund Act	The Gujarat Labour Welfare Fund Act, 1953
Welfare Fund Rules	Labour Welfare Fund (Gujarat) Rules, 1962 (formed in accordance with Section 19 of the Bombay Labour Welfare Fund Act, 1953)

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs. /Rupees/INR	Indian Rupees
AGM	Annual general meeting
AIFs	Alternative Investments Funds
AS or Accounting Standards	Accounting standards issued by the ICAI
AY	Assessment year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CAN	Common Account Number
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable

Term	Description
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
COVID-19	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and a public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
CST	Central Sales Tax
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	EBITDA is calculated as profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ERP Software	Enterprise Resource Planning Software
ESOP	Employee Stock Option Scheme
ESPS	Employee Stock Purchase Scheme
EU	European Union
FC-GPR	Foreign Currency-Gross Provisional Return
FCNR	Foreign Currency Non-Resident Accounts
FCPA	U.S. Foreign Corrupt Practices Act
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles
GAAR	General Anti Avoidance Rules
GDP	Gross domestic product
Gazette	Gazette of India

Term	Description
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and Services Tax
GSTIN	Goods and Service Tax Identification Number
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPC	Indian Penal Code, 1860
IPO	Initial Public Offer
IRDA Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N/A	Not applicable
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NBFC	Non-Banking Financial Company
NBFC-SI	Non-Banking Financial Company - Systemically Important
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRE	Non-Resident External Accounts
NRI	Individual resident outside India, who is a citizen of India
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
Novel Coronavirus	Severe acute respiratory syndrome coronavirus 2, a strain of coronavirus that causes coronavirus disease 2019, a respiratory illness
OCB/Overseas Corporate Body	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies

Term	Description
	(OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Issue.
OCI	Overseas Citizen of India
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
PRC	People's Republic of China
QIBs	Qualified Institutional Buyer
R&D	Research and development
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RII	Retail Individual Investor
RoS CTL	Rebate of State and Central Taxes and Levies
RTGS	Real Time Gross Settlement
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018, as amended
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 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 ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Sensex	Stock Exchange Sensitive Index for BSE
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number

Term	Description
Total Borrowings	Non-current borrowings including current maturities of non-current borrowings
UAE	United Arab Emirates
UIDAI	Unique Identification Authority of India
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US\$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WHO	World Health Organization
YoY	Year over year

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

CERTAIN CONVENTIONS

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

PAGE NUMBERS

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

FINANCIAL DATA

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Statements.

For further information, see the section titled “**Restated Financial Statements**” beginning on page 250 of this Draft Red Herring Prospectus. Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year. The Restated Financial Statements of our Company for the six months period ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 comprises of restated summary statement of assets and liabilities, the restated summary statement of profit and loss, the restated summary statement of cash flow and restated summary statement of changes in equity together with the annexures and notes thereto and the examination report thereon, as compiled from the Ind AS financial statements for respective period/year and in accordance with the requirements provided under the provisions of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended from time to time.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year or Fiscal are to the 12- month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/ Financial Year/ FY are to the 12 months period ended on March 31, of that calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in section titled “**Risk Factors**” and chapters titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 38, 155 and 321, respectively and elsewhere in this Draft Red Herring Prospectus, have been calculated on the basis of the Restated Financial Statements of our Company.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

NON-GAAP FINANCIAL MEASURES

In evaluating our business, we consider and use non-GAAP financial measures such as EBITDA, PAT margin, EBITDA margin, return on capital employed, return on equity, asset turnover ratio and working capital turnover ratio ("**Non-GAAP Measures**"). These Non-GAAP Measures are not defined under Ind AS and are not presented in accordance with Ind AS. They may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included these Non-GAAP Measures because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. These Non-GAAP Measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS. These measures should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability, or results of operations. The presentation of these Non-GAAP Measures is not intended to be considered in isolation or as a substitute for the Restated Financial Statements.

INDUSTRY AND MARKET DATA

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

Information has been included in this Draft Red Herring Prospectus based on the report titled World economic outlook (International Monetary Fund), October 2021, published by International Monetary Fund; Indian Home Textile Industry, August 2021, Monthly Update – India's Apparel Exports – August 2021 (India's apparel exports grew sequentially in July 2021, post contraction for three consecutive months) and Report on Indian Apparel & Fabric Sector - September 2021 (Structural tailwinds to drive up industry prospects in FY2022 and FY2023) published by ICRA: Winning in Disruptive Times (FICCI TAG 2020) published by FICCI and other publicly available documents and information, including, but not restricted to materials issued or published by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources. For details of risks in relation to the aforesaid reports, see "**Risk Factors – Industry information of the Company included in this Draft Red Herring Prospectus has been derived from different industrial association and other governmental sources and reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate**" at page 54 of this Draft Red Herring Prospectus. The above-mentioned reports published by ICRA are subject to the following disclaimer:

"All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the

data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.”

Industry publications generally state that the information contained in such publications 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 on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLMs or any of our or their respective affiliates or advisors and none of these parties make any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

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

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in section titled “**Risk Factors**” beginning on page 38 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the chapter titled “**Basis for Issue Price**” beginning on page 126 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs has independently verified such information.

CURRENCY AND UNITS OF PRESENTATION

All references to “*Rupees*” or “₹” or “*Rs.*” or “*INR*” are to Indian Rupees, the official currency of the Republic of India. All references to “*US\$*”, “*U.S. Dollar*”, “*USD*” or “*U.S. Dollars*” are to United States Dollars, the official currency of the United States of America. In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakh. One lakh represents 1,00,000 and one million represents 10,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakh, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

TIME

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

EXCHANGE RATES

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all. The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees for the periods indicated are provided below:

Currency	As on September 30, 2021 (₹) ⁽¹⁾	As on March 31, 2021 (₹) ⁽¹⁾	As on March 31, 2020 (₹) ⁽¹⁾	As on March 31, 2019 (₹) ⁽¹⁾
1 USD	74.25	73.50	75.38	69.17
1 Euro	86.13	86.09	83.04	77.70

(Source for 1 USD and 1 Euro: www.rbi.org.in and www.fbil.org.in)

(1) In the event that March 31 of any of the respective years is a holiday, the previous calendar day not being a public holiday has been considered. Exchange rate as on March 29, 2019, as RBI Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “seek to”, “will pursue”, or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such 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.

This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- A downturn in the utility of our products to the industries we cater to;
- A reduction in the demand of our products and/or competing products gaining wider market acceptance;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- An adverse change in the regulations governing our products and the products of our customers;
- A decrease in the demand for the products of our customers in hotel and hospitality industry;
- Any adverse development that may affect the operations of our manufacturing units;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals with respect to the usage of our key raw material may adversely affect our business, financial condition, results of operations and prospects;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Our ability to successfully execute our expansion strategy in a timely manner or at all;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our reliance on third party suppliers for our products;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;

- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Promoters, Promoter Group, Group Company and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/works contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For a further discussion of factors that could cause our actual results to differ from our expectations, see section titled **“Risk Factors”** and chapter titled **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** beginning on pages 38, 155 and 321, respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

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

Forward-looking statements reflect the current views of our Company as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s belief 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 as well as statements based on them could prove to be inaccurate. Neither our Company, our Promoters, our Directors, the BRLMs, 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 regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of registration of this Draft Red Herring Prospectus with the RoC until receipt of final listing and trading approvals by the Stock Exchanges for this Issue.

SUMMARY OF THE ISSUE DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the section titled “Risk Factors” and chapters titled “Objects of the Issue”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Issue” “Issue Procedure”, “Outstanding Litigations and Material Developments” and “Description of Equity Shares and Terms of Articles of Association” beginning on pages 38, 114, 155, 134, 98, 79, 414, 368 and 437 respectively of this Draft Red Herring Prospectus.

PRIMARY BUSINESS OF OUR COMPANY

Our Company is a fully vertically integrated company engaged in principle business of manufacturing terry towels & toweling products. We procure cotton from domestic and international markets and manufacture cotton yarn which are in turn used as a raw material. Additionally, we sell yarn manufactured in our units to ensure full utilization of our installed capacity. We also, at times, sell woven fabric cloth manufactured in our units that is not suitable as per quality requirements of our customers.

For further details, see the chapter titled “**Our Business**” beginning on page 155 of this Draft Red Herring Prospectus.

INDUSTRY IN WHICH OUR COMPANY OPERATES

Indian Domestic Textile and Apparel Industry is worth US \$ 106 Billion comprising of Apparels (US\$ 74 Bn), Home Textiles (US\$ 7 Bn) and Technical Textiles (US\$ 19 Bn) in 2018. It is expected to grow at a CAGR of 12% to reach US\$ 220 Billion by 2025-26. Our Company operates in home furnishing which is a sub-sector of the textile industry.

For further details, see the chapter titled “**Industry Overview**” beginning on page 134 of this Draft Red Herring Prospectus.

NAME OF PROMOTERS

Our individual Promoters are Vedprakash Chiripal, Brijmohan D. Chiripal and corporate Promoters are Chiripal Exim LLP and Devkinandan Corporation LLP. For details, see the chapter titled “**Our Promoters and Promoter Group**” beginning on page 233 of this Draft Red Herring Prospectus.

ISSUE SIZE⁽¹⁾⁽²⁾

Our Company is proposing Initial Public Offer of up to [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share (including a share premium of ₹ [●]/- per Equity Share) aggregating up to ₹ 25,496.17 Lakh. The Issue and the Net Issue shall constitute [●] % and [●] % of the post-Issue paid-up share capital of our Company. For further details, see the chapter titled “**The Issue**” beginning on page 79 of this Draft Red Herring Prospectus.

⁽¹⁾Our Board has authorised the Issue, pursuant to a resolution dated August 14, 2021 for a total Issue of ₹ 20,000 Lakh which was further enhanced to ₹ 35,000 Lakh pursuant to a resolution dated September 13, 2021. Our Shareholders have authorised the Issue, pursuant to a special resolution dated August 18, 2021 for ₹ 20,000 Lakh and revised the enhanced value to ₹ 35,000 Lakh by special resolution passed by Shareholders at EGM held on October 11, 2021.

⁽²⁾Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 4,000 lakh, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent of such Pre-IPO Placement subject to compliance with the minimum offer size requirements prescribed under Regulation 19(2)(b) of SCRR.

OBJECTS OF THE ISSUE

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

(₹ in lakh)

Particulars	Amount
Gross Proceeds from the Issue	Upto 25,496.17
Less: Issue Related Expense	[●]
Net Proceed of the Issue of the Company	[●]

UTILIZATION OF THE NET PROCEEDS

The Net Proceeds are proposed to be utilised towards the following objects:

(₹ in lakh)

Objects	Amount*	% Of Gross Proceeds	% Of Net Proceeds
Part repayment/ pre-payment of certain secured loans availed from lenders	3,560.00	[●]	[●]
Funding working capital requirements of our Company;	[●]	[●]	[●]
General corporate purposes**	[●]	[●]	[●]
Net Proceeds	[●]	[●]	[●]

*Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we will utilise the proceeds from such Pre-IPO Placement towards the Objects of the Issue prior to completion of the Issue.

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

For further details, see the chapter titled “*Objects of the Issue*” beginning on page 114 of this Draft Red Herring Prospectus.

AGGREGATE PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and members of the Promoter Group members are collectively holding **3,64,49,997** Equity Shares of our Company aggregating to **79.65%** of the pre-Issue paid-up equity share capital of our Company.

The aggregate pre-Issue shareholding of Promoters and members of the Promoters Group as a percentage of the pre-Issue paid-up equity share capital of our Company is set out below:

Sr. No.	Name and Category of shareholders	Pre-Issue	
		Number of Equity Shares	Percentage of total paid-up equity share capital (%)
A) Individual Promoters			
	Vedprakash Chiripal	1,95,000	0.43
	Brijmohan D Chiripal	1,95,000	0.43

Sr. No.	Name and Category of shareholders	Pre-Issue	
		Number of Equity Shares	Percentage of total paid-up equity share capital (%)
	Total (A)	3,90,000	0.86
B) Corporate Promoters			
	Chiripal Exim LLP	1,20,60,000	26.35
	Devkinandan Corporation LLP	1,20,60,000	26.35
	Total (B)	2,41,20,000	52.70
C) Promoter Group			
	Savitridevi V Chiripal	3,60,000	0.80
	Jyotiprasad D Chiripal	40,20,000	8.78
	Jaiprakash Chiripal	40,20,000	8.78
	Pritidevi B Chiripal	1,80,000	0.39
	Ronak Brijmohan Chiripal	33,59,997	7.34
	Total (C)	1,19,39,997	26.09
	TOTAL(A+B+C)	3,64,49,997	79.65

Note: There is no offer for sale from the existing Shareholders of the Company in the present Issue of our Company.

For further details, see the chapter titled “**Capital Structure**” beginning on page 98 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The summary of financial information as per the Restated Financial Statements for the six months period ended September 30, 2021 and for the Financial Years ended on March 31, 2021, 2020 and 2019 is set forth below:

(₹ in lakh except per share data)

Particulars	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Equity Share Capital	4576.24	1525.41	1525.41	1525.41
Net Worth	14908.61	11694.64	9290.03	9373.41
Revenue from operations	50181.18	53852.43	42938.62	32216.59
Profit / (Loss) After Tax⁽⁴⁾	3062.02	2337.74	122.40	(50.41)
Earnings per share⁽¹⁾ (Basic and Diluted)	6.69 ⁽²⁾	5.11	0.27	(0.11)
Net Asset Value per Equity Share⁽⁵⁾	32.58	25.56	20.30	20.48
Total Borrowings⁽³⁾	51682.58	52319.13	51537.99	52903.01

Notes:

(1) After Bonus Issue*

(2) Not Annualised

(3) Total borrowings include both secured and unsecured long-term borrowings, short-term borrowings, imply borrowings repayable within 12 months and instalment amount of term loans repayable within 12 months grouped under “**Other Current Liabilities**”

(4) Excluding other comprehensive income

(5) Net Asset Value per equity share after giving effect of bonus issue

*The Board of Directors has approved the issue of bonus equity shares in the meeting held on July 24, 2021, in the ratio of 2:1 out of the eligible reserves of our Company.

For further details, see the chapter titled “*Restated Financial Statements*” beginning on page 250 of this Draft Red Herring Prospectus.

AUDITOR QUALIFICATIONS

The Statutory Auditor has not made any qualifications in the examination report that have not been given effect to in the Restated Financial Statements.

SUMMARY OF OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENT

A summary of outstanding litigation proceedings involving our Company, our Directors and our Promoters have been set out below:

Type of Proceedings	Number of cases	Amount* (₹ in Lakh)
Cases against our Company		
Outstanding Criminal proceedings	NIL	NIL
Actions initiated by regulatory or statutory authorities	NIL	NIL
Outstanding material civil litigation**	3	Not ascertainable
Tax proceedings	5	2.51
Total	8	2.51
Cases by our Company		
Outstanding Criminal proceedings	NIL	NIL
Outstanding material civil litigation**	NIL	NIL
Tax proceedings	1	76.91
Total	1	76.91
Cases against our Promoters		
Outstanding Criminal proceedings	3	0.87
Actions initiated by regulatory or statutory authorities	1	Not ascertainable
Outstanding material civil litigation**	3	Not ascertainable
Tax proceedings	4	218.19
Total	11	219.06
Cases by our Promoters		
Outstanding Criminal proceedings	NIL	NIL
Outstanding material civil litigation**	3	Not ascertainable
Tax proceedings	NIL	NIL
Total	3	Not ascertainable
Cases against our Directors (Other than Promoters)		
Outstanding Criminal proceedings	NIL	NIL
Actions initiated by regulatory or statutory authorities	NIL	NIL
Outstanding material civil litigation**	NIL	NIL
Tax proceedings	NIL	NIL
Total	NIL	NIL

Cases by our Directors (Other than Promoters)		
Outstanding Criminal proceedings	NIL	NIL
Outstanding material civil litigation**	NIL	NIL
Tax proceedings	NIL	NIL
Total	NIL	NIL

*To the extent quantifiable and ascertainable

**In accordance with the Materiality Policy

A summary of outstanding litigation proceedings involving our Group Company that has a material impact on our Company have been set out below:

Type of Proceedings	Number of cases	Amount* (₹ in Lakh)
Tax proceedings	NIL	NIL
Other litigations	10	162.25
Total	10	162.25

*To the extent quantifiable and ascertainable

Further, assessments opened under the Income-tax Act, 1961 for the assessment years 2017-18 and 2018-19 in case of Nandan Denim Limited, our Group Company has exposed the risk of litigation on our Company on the inter-connected issue in future.

For further details of the outstanding litigation proceedings, see the chapter titled “**Outstanding Litigations and Material Developments**” beginning on page 368 of this Draft Red Herring Prospectus.

RISK FACTORS

For details of the risks applicable to us, see the section titled “**Risk Factors**” beginning on page 38 of this Draft Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

Details of the contingent liabilities of our Company for the six months period ended on September 30, 2021 and for the Financial Year ended on March 31, 2021, 2020 and 2019 derived from the Restated Financial Statements are set forth below:

(₹ in lakh)

Particulars	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
CONTINGENT LIABILITIES				
Duty liability under Export Promotion Capital Goods Scheme (EPCG):				
Export Obligation pending against imported capital goods at concessional rate of custom duty under “Export promotion of capital goods scheme”.	3666.18	1103.38	966.88	-
Custom duty liability in respect of unfulfilled export obligation	611.03	183.90	161.15	-
Guarantee given by bank on behalf of the company:				

Particulars	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Guarantee given by bank on behalf of the company to Uttar Gujarat Vij Company Limited as against security deposit for connected load	414.77	432.31	432.31	432.31
Total – Contingent Liabilities	4691.98	1719.59	1560.34	432.31

For further details, see “*Restated Financial Statements - Annexure VI – Note 34 - Contingent Liabilities*” at page 293 of this Draft Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

Summary of the related party transactions derived from the Restated Financial Statement as at and for the six months period ended on September 30, 2021 and for the Financial Year ended on March 31, 2021, 2020 and 2019 is as follows:

(₹ in lakh)

Nature of Transaction	For six months ended September 30, 2021	For year ended on March 31, 2021	For year ended on March 31, 2020	For year ended on March 31, 2019
Creditors for Expenses	(21.52)	(2.82)	(6.10)	-
CSR Expenses	24.25	-	-	-
Job Work Charges	-	-	0.63	-
Loan Repaid	-	1,322.11	-	-
Loan Taken	-	-	550.11	1,289.56
Managerial Remuneration	69.90	75.47	33.99	41.89
Purchase of Goods	3,600.55	320.50	-	-
Purchase of Materials/Services	3,178.41	3,812.69	5,035.62	40.00
Rental Charges	9.00	-	-	-
Salary & Wages	4.55	4.08	-	-
Sale of Export Licenses	-	43.67	23.48	56.92
Sale of Goods/Services	2,779.02	1,920.88	2,487.68	62.42
Trade Payables	(607.85)	(678.06)	(123.76)	(31.59)
Trade Receivables	1,547.78	560.33	1,007.99	62.56
Unsecured Loan	-	-	(1,322.11)	(1,289.56)
Total	10,584.09	7,378.84	7,687.51	232.20

For further details, see “*Restated Financial Statements - Annexure - VI: Notes to the Restated Financial Statements – Note 42 - Related Parties Disclosures*” at page 307 of this Draft Red Herring Prospectus.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of a financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

The weighted average price at which our individual and corporate Promoters of our Company, i.e., Vedprakash Chiripal, Brijmohan D Chiripal, Chiripal Exim LLP and Devkinandan Corporation LLP, have acquired the Equity Shares of the Company during the past one year preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Promoters	Number of Equity Shares ⁽¹⁾	Weighted average price per Equity Share (in ₹) ⁽²⁾
Vedprakash Chiripal	1,30,000	-
Brijmohan D Chiripal	1,30,000	-
Chiripal Exim LLP	80,40,000	-
Devkinandan Corporation LLP	80,40,000	-

(1) 3,05,08,240 Equity Shares were allotted to existing Shareholders of our Company pursuant to a bonus issue in the ratio of 2:1 face value of ₹10/- each fully paid up at par on July 31, 2021, through capitalization of the eligible reserves. Thus, the cost of acquisition of the Equity Shares acquired pursuant to such bonus issuance has been considered "NIL".

(2) The Weighted Average Price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoters to acquire, by way of fresh issuance or transfer, the Equity Shares and the net cost of acquisition has been divided by total number of shares acquired during last one year.

AVERAGE COST OF ACQUISITION*

The average cost of acquisition per Equity Share held by our Promoters as at the date of this Draft Red Herring Prospectus is set forth below:

Name of Promoter	Number of Equity Shares	Weighted average price per Equity Share (in ₹)**
Vedprakash Chiripal	1,95,000	9.487
Brijmohan D Chiripal	1,95,000	9.487
Chiripal Exim LLP	1,20,60,000	10.00
Devkinandan Corporation LLP	1,20,60,000	10.00

* Pursuant to the certificate dated December 07, 2021 by our Statutory Auditor

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

For further details of the acquisition of Equity Shares of our Promoters, see "**Capital Structure – Build-up of the Equity Shareholding of our Promoters in our Company**" at page 107 of this Draft Red Herring Prospectus.

DETAILS OF PRE-IPO PLACEMENT

Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of such number of Equity Shares for each consideration aggregating up to ₹ 4,000 lakh, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum offer size requirements prescribed under Regulation 19(2)(b) of SCRR.

OFFER/ ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus:

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Issue Price per Equity Share (₹)	Nature of Allotment	Nature of consideration
July 31, 2021	3,05,08,240	Not Applicable	Issuance of Bonus Equity Share ⁽¹⁾	Not Applicable

(1) 3,05,08,240 Equity Shares were allotted to existing Shareholders of our Company pursuant to a bonus issue in the ratio of 2:1 face value of ₹ 10/- each fully paid up at par on July 31, 2021, through capitalization of the eligible reserves.

SPLIT / CONSOLIDATION OF EQUITY SHARES OF OUR COMPANY IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

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

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “**Our Business**”, “**Industry Overview**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Restated Financial Statements**” beginning on pages 155, 134, 321 and 250 respectively as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

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

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Our Company’s Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2021, 2020 and 2019 and for the six months ended September 30, 2021 included herein is derived from the Restated Financial Statements, included in this Draft Red Herring Prospectus. For further information, see the section titled “**Restated Financial Statements**” beginning on page 250 of this Draft Red Herring Prospectus.*

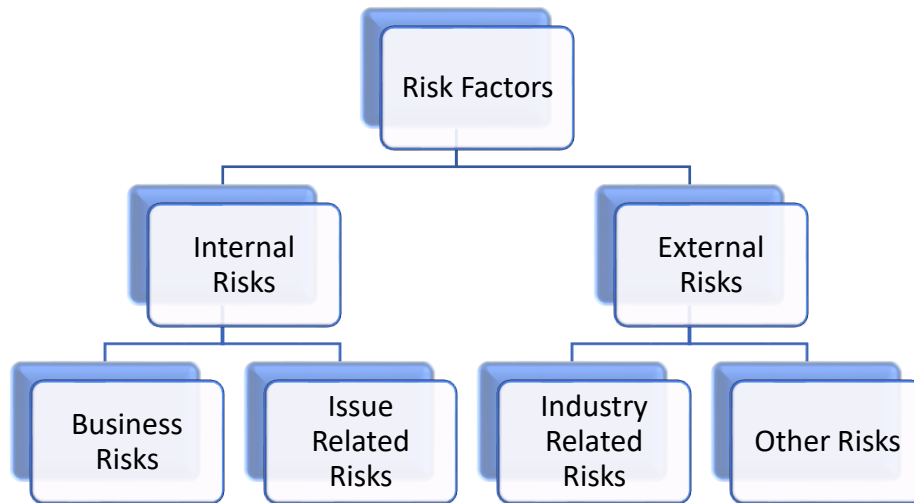
*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see the chapter titled “**Forward-Looking Statements**” beginning on page 28 of this Draft Red Herring Prospectus.*

Unless otherwise indicated or the context otherwise requires, in this section, any reference to “the Company”, “our Company”, “we”, “us” and “our” refers to Nandan Terry Limited.

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

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

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



INTERNAL RISK FACTORS

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

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

Type of Proceedings	Number of cases	Amount* (₹ in Lakh)
Cases against our Company		
Outstanding Criminal proceedings	NIL	NIL
Actions initiated by regulatory or statutory authorities	NIL	NIL
Outstanding material civil litigation**	3	Not ascertainable
Tax proceedings	5	2.51
Total	8	2.51
Cases by our Company		
Outstanding Criminal proceedings	NIL	NIL
Outstanding material civil litigation**	NIL	NIL
Tax proceedings	1	76.91
Total	1	76.91
Cases against our Promoters		
Outstanding Criminal proceedings	3	0.87
Actions initiated by regulatory or statutory authorities	1	Not ascertainable
Outstanding material civil litigation**	3	Not ascertainable
Tax proceedings	4	218.19

Type of Proceedings	Number of cases	Amount* (₹ in Lakh)
Total	11	219.06
Cases by our Promoters		
Outstanding Criminal proceedings	NIL	NIL
Outstanding material civil litigation**	3	Not ascertainable
Tax proceedings	NIL	NIL
Total	3	Not ascertainable
Cases against our Directors (Other than Promoters)		
Outstanding Criminal proceedings	NIL	NIL
Actions initiated by regulatory or statutory authorities	NIL	NIL
Outstanding material civil litigation**	NIL	NIL
Tax proceedings	NIL	NIL
Total	NIL	NIL
Cases by our Directors (Other than Promoters)		
Outstanding Criminal proceedings	NIL	NIL
Outstanding material civil litigation**	NIL	NIL
Tax proceedings	NIL	NIL
Total	NIL	NIL
Outstanding litigation proceedings involving our Group Company that has a material impact on our Company		
Tax proceedings	NIL	NIL
Other litigations	10	162.25
Total	10	162.25

*To the extent quantifiable and ascertainable

**In accordance with the Materiality Policy

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

Our Promoter, Chairman and Non-Executive Director, Mr. Vedprakash Chiripal, is currently residing at Dubai, United Arab Emirates. We have not carried out separate due diligence in Dubai for pending litigation and have relied on Police Clearance Certificate dated October 24, 2021 issued by General Department of Criminal Investigation, Dubai Police, certifying the good conduct and behaviour of Mr. Vedprakash Chiripal and his affidavit.

Further, assessments opened under the Income-tax Act, 1961 for the assessment years 2017-18 and 2018-19 in case of Nandan Denim Limited, our Group Company has exposed the risk of litigation on our Company on the inter-connected issue in future.

For further details, see the chapter titled “**Outstanding Litigations and Material Developments**” beginning on page 368 of this Draft Red Herring Prospectus. We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoters, Directors and Group Companies, as the case may be, or that no further liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable, on the basis of documents available, and include amounts claimed jointly and severally. Further, such legal proceedings could divert management time and attention and

consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition.

2. Our listed Group Company CIL Nova Petrochemicals Limited, has in the past been banned by SEBI from accessing the capital markets for violation of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

CIL Nova Petrochemicals Limited (*erstwhile* known as Nova Petrochemicals Limited) was restrained from buying, selling, dealing or accessing the securities market directly or indirectly in any manner whatsoever for a period of two years starting from January 12, 2010 for violation of Section 12A of the Securities and Exchange Board of India Act, 1992 read with Regulation 3(c), 3(d), 4(1) and 4(2)(k) &(r) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, *vide* SEBI Order WTM/PS/34/IVD/ID-4/JAN/10 dated January 12, 2010. The equity shares of CIL Nova Petrochemicals Limited were listed on NSE and BSE in the year 2010. Mr. Vedprakash Chiripal (our Promoter and Director) was acting as a director from December 17, 2003 to February 17, 2017, in CIL Nova Petrochemicals Limited, and for the aforesaid violation, SEBI *vide* its Adjudication Order MRD/MK/01/2018 dated February 02, 2018 had imposed a penalty of ₹ 10 Lakh jointly on the directors of CIL Nova Petrochemicals Limited including Mr. Vedprakash Chiripal.

Further, CIL Nova Petrochemicals Limited had received a show cause notice dated September 10, 2009 for failure to make disclosure under Regulation 7(3) and regulation 8(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997. CIL Nova Petrochemicals Limited made a consent application *vide* its letter dated April 16, 2010 and the same was passed with a consent term of ₹ 5 Lakh payable by CIL Nova Petrochemicals Limited on April 10, 2013.

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

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

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour wherein we are required to obtain and maintain various regulatory approvals and registrations for our operations, including consents from the local pollution control board in India to establish and operate manufacturing facilities in India. Further, we also hold the Importer Exporter Code issued by the Ministry of Commerce & Industry, Government of India. Certain of these approvals, are granted for a limited duration, and are required to be renewed or extended from time to time upon expiry.

There can be no assurance that these relevant authorities will issue such permits or approvals, or renewals thereof, in the time frame anticipated by us. While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are yet to receive or apply for certain approvals, licenses, registrations, permits or renewals. For example, (i) for some of our units, while we have applied for the consent to operate from the Gujarat State Pollution Control Board, we are yet to receive such approval, (ii) for one of our units, we are yet to apply for the consent to operate from the Gujarat State Pollution Control Board, and (iii) for some of our units, the application for permission to extract ground water is pending. For further

details, see the chapter titled “**Government and Other Approvals**” beginning on page 378 of this Draft Red Herring Prospectus. Carrying out business activities without obtaining necessary statutory and regulatory permits and approvals may lead to suspension or permanent closure of such business activities and may also attract costs, penal actions and other legal actions against our Company or its officers, which may adversely affect our business, financial conditions, results of operations, and cash flows.

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

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

Further, if the per unit cost of electricity is increased by the state electricity board and private electricity supplier, our power costs will increase and it may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. Additionally, we require water for processing process in manufacturing of our products and for human consumption. We have 1 bore-well at Piplej Unit to meet water requirement for processing process at Piplej Unit. Any disruption / non availability of power and water or any failure on our part to arrange alternate sources of electricity and water supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on operations and results of our Company.

5. Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour wherein we are required to obtain and maintain various regulatory approvals and registrations for our operations. In various of the registrations, permits or approvals granted to us, there are certain discrepancies. For instance, (i) for Piplej Unit, consents issued by Gujarat Pollution Control Board and the NOC for Ground Water Extraction mention incorrect address, i.e. Survey No. 85/1 instead of 185/1, (ii) for Dholi Unit I, stability certificate mention incorrect description of manufacturing activity, i.e. manufacture of grey cloth instead of spinning, and (iii) while the name has been changed to public limited company, certificate of Registration and GSTIN of our company wrongly mentions the constitution as ‘private limited company’.

Further, we own Survey No. 635 and 639 (Old Survey nos. 357/A/5 and 357/A/6) at Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad, Gujarat – 382240 and do not own or occupy & not carrying-out any activity at Survey no. 638 (old survey no. 357/A/7); however, our factories license and few other certifications wrongly and inadvertently mention Survey no. 638 (old survey no. 357/A/7) along with Survey No. 635 and 639 (Old Survey nos. 357/A/5 and 357/A/6) in our address. In this regard, the management of our Company in near future shall endeavour to take appropriate actions to remove the address of Survey no. 638 (old survey no. 357/A/7) from factory license and few other certifications and/ or surrender such factory license and few other certifications. Furthermore, while for our manufacturing units we are paying under professional tax as per the Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976, original or copy of certificate of registration and certificate of enrolment under the said Act is not available and the details of government approval, to the extent identifiable, has been mentioned as per information derived from receipt of payment of professional tax.

While no legal action has been initiated against us in respect of such discrepancies or in respect of absence of original or copy of certificate of registration and certificate of enrolment, we cannot assure you that such absence will not result in a regulatory authority taking any action against us, which may impact our business and operations.

The applicable laws, rules and regulations also prescribe for penalties in case of any violations, and such permits or approvals may impose certain additional conditions on our Company. For example, (i) in accordance with the consent to establish granted for Piplej Unit, our Company should receive steam from Chiripal Industries, whereas, our Company has been receiving steam from Nandan Denim without entering into any formal agreement or understanding for usage of steam and boiler, (ii) The consents issued by Gujarat Pollution Control Board granted with respect to our manufacturing units limits the installed capacity as mentioned therein; however, the current installed capacity of our manufacturing units as per chartered engineer's certificate dated October 12, 2021 is more than the installed capacity mentioned in said consents.

Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. In case of breach of, or non-compliance with such conditions or registration requirements, we may incur additional costs and liabilities in relation to compliance with these laws and regulations or any remedial measures in relation thereto and such permits or approvals granted to our Company may be suspended, revoked or cancelled. These additional costs and liabilities could be on account of penalties, fines, remedial measures and clean-up liabilities or due to compliance with more onerous laws or regulations. For further details, see the chapters titled "**Key Regulations and Policies**" and "**Government and Other Approvals**" on pages 191 and 378, respectively of this Draft Red Herring Prospectus.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production. For example, (i) we have not filed any returns under the Maternity Benefit Act, 1961 in past 5 years; (ii) we may have engaged contract labour from certain contractors whose names

are not mentioned in the certificate of registration granted to us under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970. The aforesaid non-compliances of health, environmental and other applicable laws may attract costs, penal actions and other legal actions against our Company or its officers.

6. Our company has contingent liabilities which may affect the financial condition of the Company.

As on September 30, 2021, following contingent liabilities are standing in the Restated Financial Statements of the Company:

(₹ in Lakh)

Particulars	Amount
Export Obligation pending against imported capital goods at concessional rate of custom duty under “Export promotion of capital goods scheme”.	3666.18
Custom duty liability in respect of unfulfilled export obligation	611.03
Guarantee given by bank on behalf of the company to Uttar Gujarat Vij Company Limited as against security deposit for connected load	414.77

In the event if any contingent liabilities mentioned above are to be materialized or if contingent liabilities will be increased in future, then the financial condition and business operations of our Company may be affected.

7. We currently avail benefits under certain export promotion schemes. Any failure in meeting the obligations under such schemes, may result in adversely affecting our business operations and our financial condition.

We currently avail benefits under certain export promotion schemes, namely, Export Promotion Capital Goods (“EPCG”) license. Our EPCG liability as on September 30, 2021 is ₹ 3,666.18 Lakh. As per the licensing requirement under the said scheme, we are bound by certain export obligations which require us to export goods of a defined amount, failing which, we may have to pay the government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. Any pending obligations against EPCG license will be adjusted at the time of the consequent exports as per the required timelines. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business and financial condition.

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

Our manufacturing facilities are situated on premises that we have taken on lease. Further, our Registered office and Corporate Office are situated on premises that we have taken on license from Shanti Education Initiative Limited and Mr. Brijmohan D Chiripal respectively. Although, we have entered long term lease of 99 years for our manufacturing facilities, however, the lease is subject to certain compliances failing which the lessor shall have a right to terminate the lease of manufacturing facilities. Similarly, the licensors may terminate license of our Registered Office and Corporate Office by serving advance notice to our Company. The current license term of our Corporate Office is 12 months (i.e., April 1, 2021 to March 31, 2022) which may be further renewed by our Company for a period 12 months from time to time. Moreover, the current license term of our Registered Office is 24 months (i.e., April 1, 2021 to March 31, 2023) which may be further

renewed by our Company for a period 24 months from time to time.

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

Further, the above-mentioned license agreements executed by our Company are not stamped adequately. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. For instance, the stamp duty paid on (i) the license agreement executed in Ahmedabad, Gujarat, for our Registered Office situated at Mumbai, Maharashtra; and (ii) the license agreement executed in Ahmedabad, Gujarat for our Corporate Office situated at Bopal, Ahmedabad is inadequate as per provisions of the Gujarat Stamp Act, 1958. Any potential dispute *vis-à-vis* the said premises and our non-compliance of local laws relating to stamp duty may adversely impact the continuance of our activity from such premises.

9. Our Company has availed certain interest free unsecured loans from different companies and limited liability partnerships. Any failure to obtain these loans in future or repay them would lead to material impact on our financial condition.

Our Company has availed interest free unsecured loans from different companies and certain shareholders being limited liability firms. The aggregate outstanding amount as on September 30, 2021 is ₹ 17,990.71 Lakh, as per our Restated Financial Statements. As per the terms of the loan agreements executed with the lenders by our Company, these loans were repayable/renewable after 15 months from the date of agreement of loans and the agreement is renewable for another period of 15 months. The said renewal can be done for five (5) terms as may be decided by the Issuer and lender.

We cannot assure you that we will continue to obtain interest free unsecured loans in future which is commercially favourable to us. If we are unable to arrange such interest free unsecured loans, we may have to incur an additional financial burden having material adverse effect on our profit, cash flows and financial condition. Also, in case we are unable to renew these loans on their maturity, we may have excessive strain on our cash flows and may have to make alternative arrangements to pay them off which could involve interest cost and would have material adverse effect on our financial condition and profitability.

10. Non-compliance with conditions to land use may adversely affect our business, results of operations, financial condition and cash flows.

Our Company is permitted to carry out industrial activity in land comprised under Dholi Units on account of certificates for bonafide industrial use issued under Section 65 B of the Bombay Land Revenue Code, 1879 and Section 63 AA of the Bombay Tenancy and Agriculture Land. The said certificates are subject to certain terms and conditions. While we believe, currently, we are complying with such conditions, we cannot assure you of the same in future. In case of breach of, or non-compliance with such conditions, we may incur additional costs and liabilities in relation to compliance with these conditions or any remedial measures in relation thereto and such certificate granted to our Company may be suspended, revoked or cancelled.

The land use of our Piplej Unit is not industrial. The said land has been leased to our Company for 99 years by Mr. Vedprakash Chiripal, Mr. Brijmohan D Chiripal, Mr. Jyotiprasad D Chiripal and Jaiprakash Chiripal. Before the said lease in favour of our Company, impact fee was deposited under the provisions of the Gujarat Regularization of Unauthorized Development, 2011 to regularize the industrial usage of the said land and construction thereon. Even though the owner of the said land were above mentioned persons, the impact fee was deposited by our Group Company, Chiripal Industries Limited. Till date, we have not faced any issue due to the fee submission by Chiripal Industrial Limited; however, we cannot assure you of any future proceedings in relation thereto. Any adverse action under such proceedings may involve revocation of regularization under the Gujarat Regularization of Unauthorized Development, 2011, which may lead to shut down of our Piplej Unit, which in turn could adversely affect our business, results of operations and financial condition.

11. *Our Company had allotted some Equity Shares to our Promoters before receipt of entire amount of share application money.*

Our Company in past had allotted its Equity Shares to our Promoters from time to time. On July 27, 2015, our Company had allotted 17,60,000 Equity Shares to Chiripal Exim LLP and 17,60,000 Equity Shares to Devkinandan Corporation LLP respectively. The share application money for said allotments was received by our Company in three tranches and the last tranche of said share application money was received by our Company on August 20, 2015 from Chiripal Exim LLP and Devkinandan Corporation LLP. Accordingly, our Company had allotted the entire 17,60,000 Equity Shares to Chiripal Exim LLP and 17,60,000 Equity Shares to Devkinandan Corporation LLP before receiving entire amount of share application money. In terms of Companies Act, a company cannot allot its shares to any allottee before receiving entire amount of share application money. Thus, this act of our Company may lead to adverse consequences as per the applicable provisions of the Companies Act read with relevant rules made thereunder and resultantly penalties can be imposed on our Company and its officers by the adjudicating authorities.

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

In the past, there have been certain instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act with RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company. Further, there have been instances of erroneous filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act by our Company. For instance: (i) delay in filing of Form DIR 12 for appointment of one of our Directors, Mr. Brijmohan D Chiripal, as an additional Director and filing of Form DIR-12 for cessation of directorship of our erstwhile Director, Ms. Pooja Shah, (ii) delay in filing form CHG 1 for creation of floating charge on book debts and movable property of our Company, (iii) Form PAS-3 wrongly filed showing allotment of 80,20,000 Equity Shares instead of actual allotment of 50,00,000 Equity Shares on rights issue basis, however, a revised Form PAS-3 showing actual allotment of 50,00,000 Equity Shares was filed later in place of earlier Form PAS-3.

No show cause notice in respect to the above has been received by our Company till date, no penalty or fine has been imposed by any regulatory authority in respect to the same. We cannot assure you that such inaccuracies, delays and non-compliances will not happen in the future and that our Company will not be subject to any action, including monetary penalties by statutory

authorities on account of any inadvertent discrepancies in, or non-availability of, or delays in filing of, any of its secretarial records and filings, which may adversely affect our operations and financial position.

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

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

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

14. *Our Company has made certain incorrect disclosures in Form DPT-3 filed with RoC with respect to the deposits (in the form of unsecured loans) obtained from its Shareholders.*

Our Company has obtained certain unsecured loans on various occasions in past from its Shareholders. Such unsecured loans obtained from Shareholders fall within the ambit of deposits as per the Companies Act. In terms of extant provisions of the Companies Act, a private limited company may accept deposits from its Shareholders provided that such private company submits the details of deposits so accepted to the registrar of companies in Form DPT-3 (Return of Deposits) every year. Recently the status of our Company has been changed from private limited to public limited *vide* fresh certificate of incorporation dated August 12, 2021, and prior to which the status of our Company was private limited. Before conversion, our Company has filed Form DPT-3 in relation to deposits (in the form of unsecured loans) obtained from its Shareholders. However, our Company while filing said Form DPT-3 has shown the amount of such unsecured loans obtained from its Shareholder as an amount 'other than deposits' instead of showing it as 'deposits'. Further, the amount of loan obtained by our Company as mentioned in audited financial statements for Fiscal 2021, 2020 and 2019 is different from the amount disclosed in Form DPT-3 filed in relation to Fiscal 2021, 2020 and 2019. Therefore, this amounts to incorrect disclosures by our Company in Form DPT-3 filed with RoC.

No show cause notice in respect to the above has been received by our Company and no penalty or fine has been imposed by any regulatory authority till date. However, we cannot assure you that such incorrect disclosures will not happen in the future and that our Company will not be subject to any action, including monetary penalties by statutory authorities on account of any incorrect disclosures.

15. Our Company and Mr. Ronak Brijmohan Chiripal (who is a member of our Promoter Group) have done certain erroneous filings in past in relation to significant beneficial ownership.

The Companies Act mandates to undertake certain filings in relation to significant beneficial ownership in shares of a company. As per Section 90 of the Companies Act read with SBO Rules, every significant beneficial owner of shares of a company (including partner of a limited liability partnership) is required to disclose the nature of his interest to the company in Form BEN-1 and in turn such company submits Form BEN-2 to Registrar of Companies informing about significant beneficial ownership of its shares. Chiripal Exim LLP, our corporate Promoter, is holding Equity Shares of our Company, and accordingly the partners of Chiripal Exim were required to file Form BEN-1 with our Company. In the year 2019, Mr. Ronak Brijmohan Chiripal, Mr. Vishal Vedprakash Chiripal and Mr. Deepak Jyotiprasad Agarwal had filed Form BEN-1 to our Company disclosing their significant beneficial ownership in Equity Shares held by Chiripal Exim LLP, however, all these three individuals were not acting as partners of Chiripal Exim LLP, as per MCA records. Therefore, the disclosure made in such Form BEN-1 was erroneous. Relying upon Form BEN-1 filed by said individuals, our Company in the year 2019 had also filed Form BEN-2 with ROC informing about significant beneficial ownership of said individuals in Equity Shares held by Chiripal Exim LLP. This also leads to erroneous filing of Form BEN-2 with ROC on the part of our Company.

No show cause notice in respect to above inadvertent filings has been received by our Company, Mr. Ronak Brijmohan Chiripal (who is a member of our Promoter Group), Mr. Vishal Vedprakash Chiripal and Mr. Deepak Jyotiprasad Agarwal till date, and no penalty or fine has been imposed by any regulatory authority in respect to the same. However, we cannot assure you that our Company and Mr. Ronak Brijmohan Chiripal will not be subject to any action, including monetary penalties by statutory authorities on account of aforesaid any inadvertent filings, which may adversely affect our reputation, operations and financial position.

16. Some of the approvals are required to be updated consequent to the change in the name of our Company.

The name of our Company has been changed from Nandan Terry Private Limited to Nandan Terry Limited upon conversion of our Company into public limited *vide* special resolution passed by our Shareholders at their EGM held on August 18, 2021. Due to such change, our Company is required to change its name in all approvals, licenses, registrations and permits from Nandan Terry Private Limited to Nandan Terry Limited. While we have updated our name in some of the registrations, permits or approvals, it is still pending in several registrations, permits or approvals.

17. If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.

Our Company has two trademarks registered in its name in connection with its products. Further, we have applied for trademark registrations in connection with the protection of intellectual property rights of name and logo 'NANDAN', and registration of those trademarks are yet to be received by us. The aforesaid trademark applications for our name and logo are objected under Section 11(1) of the Trade Marks Act, 1999, however, our reply in response to such objections has been duly submitted with the Registrar of Trademark, Trademark Registry, Ahmedabad. In addition, our Company is manufacturing and selling its products under the brand name 'OSMOS', however, neither the trademark for brand name OSMOS is registered in our favour nor any application for trademark registration is submitted with trademark authority. As on the date of this Draft Red Herring Prospectus, the details regarding registered trademarks and pending trademark applications are disclosed in "**Government and Other Approvals – Intellectual Property**

Rights” on page 387 of this Draft Red Herring Prospectus. Failure to register and protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.

If any of our unregistered trademarks is registered in favour of a third party, we may have to engage in litigation to claim registered ownership of those trademarks.

Furthermore, the intellectual property protection obtained by us may be inadequate, we may be unable to detect any unauthorized use (including our brand on products being of inferior quality which are not manufactured by us) and we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business, prospects, results of operations and financial condition. We cannot assure you that trademarks granted to by us in the past or in the future will not be challenged or circumvented by any third party.

In addition to the above, our Group Company, Nandan Denim Limited, is using ‘**NANDAN**’ as its trade name and logo in relation to its products and business operations. Further, Nandan Denim Limited has also applied for trademark registration of ‘**NANDAN**’ with the Registrar of Trademark, Trademark Registry, Ahmedabad. The said trade name and logo of Nandan Denim Limited is similar to trade name and logo of our Company. Accordingly, any adverse claim or infringement in relation to said mark of Nandan Denim Limited may also lead to disrepute the image of our Company in public or our relationship with existing or potential customers.

We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks and brands under which we sell our products. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management’s attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

18. Our Company may have lack of significant experience in the business operations and activities carried-out by our Company.

Our Company has been incorporated on January 27, 2015 and accordingly, our Company is carrying-out its business operations from past few years only. The business of our Company is managed by our individual Promoters along with other KMPs and professionals. Although, our individual Promoters (namely, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal) have adequate years of experience in textile industry, however, our Company may not have adequate experience in its business since our Company have been carrying-out business operations from past few years only. We cannot assure you that lack of such adequate experience of our Company in our business may not have any adverse impact on the management and/ or operations of the Company.

19. Our Company has incurred loss in past from its business operations, which may adversely impact our business and the value of the Equity Shares.

We have incurred loss of ₹ 50.41 Lakh in the Fiscal 2019, and we may incur losses in the future. Our ability to operate profitably depends upon number of factors, some of which are beyond our direct control. For further information, see the chapter titled “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 321 of this Draft Red Herring Prospectus. If we incur losses in future, our business and the value of the Equity

Shares could be adversely affected.

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

We have a large network of customers situated inside and outside India. Our top 10 customers account for a substantial portion of our sales, and consequently our revenue, and we expect that such key customers will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. Our total sales to our top 10 customers are 62.34% for the period ended September 30, 2021, 49.91% for Fiscal 2021, 47.13% for Fiscal 2020 and 47.03% for Fiscal 2019. Further, sales to our single largest customer represented 10.54% for Fiscal 2021. Our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Since we are largely dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have a material adverse effect on our business, financial condition, results of operations and future prospects. We have not entered into formal arrangements or contracts with our customers to purchase the products from us. We work on purchase order basis with our customers based on their demand. Since we have no formal arrangements with our customers, they are not contractually obligated to purchase minimum quantity of products from us and may choose to purchase the products from our competitors. We cannot assure you that we will be able to continue to retain these customers on terms that are commercially acceptable to us, or at all.

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

The predominant business activity of our Company is manufacturing of terry towels and toweling products. Apart from manufacturing terry towels and toweling products, our Company is also engaged in the business of manufacturing and selling cotton yarn and woven fabric cloth. Our Promoters and Directors are interested as a shareholder or director or partner in Group Companies, corporate Promoters and entities in Promoter Group. The object clause or constitutional documents of our Group Companies, corporate Promoters and entities in Promoter Group, permits them to undertake similar business to that of business of our Company. Accordingly, certain corporate Promoters, Group Companies and entities in Promoter Group of the Company are engaged or may be engaged in the business of manufacturing and/or selling cotton yarn and/or fabric cloth which is or may be in conflict of interest with the business of our Company. This may lead to loss of profit/revenue of our Company and could adversely impact our business and results of operations. However, none of the Group Companies, corporate Promoters and entities in Promoter Group is engaged in the business of manufacturing and/or selling terry towels and toweling products. We have also obtained an affidavit from Mr. Brijmohan D Chiripal (our Managing Director) confirming that none of the Group Companies, corporate Promoters and entities in Promoter Group is engaged in the business of manufacturing and/or selling terry towels and toweling. But there can be no assurance that the Group Companies, corporate Promoters and entities in Promoter Group will not start a similar line of business or will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on

our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

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

Our Promoters, Directors and KMPs may be deemed to be interested to the extent of the Equity Shares held by them or their relatives or in our Company. Our Company has also entered into a lease deed dated July 5, 2016, with certain lessors, two of them are our Promoter Directors namely, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal, for its Piplej Unit. Additionally, our Company has entered into a license agreement with Mr. Brijmohan D Chiripal (licensor) for its Corporate Office situated at Ahmedabad, Gujarat. Further, our Company has entered into a license agreement with Shanti Educational Initiatives Limited (licensor) for its Registered Office situated at Mumbai, Maharashtra. The Director of our Company, namely, Mr. Susanta Kumar Panda is also acting as a director of Shanti Educational Initiatives Limited and additionally, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal are promoters of Shanti Educational Initiatives Limited. In addition, our Company has entered into various lease deeds with Dholi Integrated Spinning Park Limited for use of its Dholi Units. Mr. Vishal V Chiripal is the son of Mr. Vedprakash Chiripal and he is presently acting as a director in Dholi Integrated Spinning Park Limited. For further details, see the chapters titled "***Our Management***", "***Our Promoter and Promoter Group***" and "***Our Group Companies***", beginning on pages 209, 233 and 242 respectively of this Draft Red Herring Prospectus and "***Restated Financial Statements – Note 42 (Related Parties Disclosures)***" on page 307 of this Draft Red Herring Prospectus.

23. *Our success largely depends upon the knowledge and experience of our Key Managerial Personnel, namely Mr. Brijmohan D Chiripal and Mr. Ronak Brijmohan Chiripal. Loss of any of such Key Managerial Personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.*

The growth and success of our Company's future significantly depends upon the experience and continued services and the management skills of our Key Managerial Personnel (namely, Mr. Brijmohan D Chiripal and Mr. Ronak Brijmohan Chiripal) and the guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel (namely, Mr. Brijmohan D Chiripal and Mr. Ronak Brijmohan Chiripal) and their inputs are valuable for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Any attrition of such experienced Key Managerial Personnel, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel who leave. If we are unable to motivate and retain such Key Managerial Personnel and thereby lose the services of such highly skilled Key Managerial Personnel may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business. For further details on our Directors and Key Managerial Personnel, see the chapter titled "***Our Management***" beginning on page 209 of this Draft Red Herring Prospectus.

24. We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.

We have entered into agreements with certain banks for short-term and long-term borrowings. As on September 30, 2021, we had total outstanding borrowings of ₹ 52,493.97 Lakhs, certain of which contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, change in shareholding, not approaching the capital markets for mobilizing additional resources either in the form of debt or equity, changing the management, dilution of Promoters' shareholding and undertaking any new project, implementing any scheme of expansion/diversification or capital expenditure or acquiring fixed assets (except normal replacements) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.

Further, in terms of security, we have created a mortgage over our immovable properties and hypothecation of our movable properties. Additionally, we are required to, among others, to maintain the prescribed debt service coverage ratio, total debt and debt to equity ratio. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. For details of these covenants, see the chapter titled "**Financial Indebtedness**" beginning on page 364 of this Draft Red Herring Prospectus.

A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise could lead to a termination of our credit facilities, foreclosure on our assets, acceleration of all amounts due under such manufacturing facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

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

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

During the first wave in India in first quarter of FY 2020-21, our manufacturing facilities were completely shut down for around 2 weeks due to government restrictions. After government decided to grant permission to start industrial activity, our spinning unit resumed operations. In May, 2020, our remaining units also resumed operations. Since most of the factory employees were stationed within and nearby premises of our manufacturing facility, our manufacturing facilities promptly resumed production. During the second wave, the lockdown did not halt operations within our factories after Central Government lifted partial restrictions and the factories were running at 75% - 90% capacity after lockdown. Due to increase in hygiene related product consumption on account of COVID-19, the market for towel and toweling products is improving and the market has continued to stay robust with respect to demand. International market has also continued to stay robust with respect to demand.

However, in case due to any third or consequent wave of COVID-19, if another lockdown is imposed in the country, we may face huge losses and our business operations could be severely impacted. Any such interruptions or disruptions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

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

26. Any reduction in or termination of tax incentives and other subsidies we enjoy may affect our business, results of operations and financial condition.

The Government of India and State Governments have instituted several policies to promote the growth of the Indian textile sector. We are entitled to certain benefits under the Gujarat Textile Policy 2012 wherein we are entitled for state goods and services tax incentives, interest subsidy and power tariff subsidy. The above-mentioned state goods and services tax incentives is valid for period of 8 years (from August 21, 2017 till August 20, 2025) at the rate of 1/8th of Rs. 4510.90 Lakh, Rs. 9172.26 Lakh, Rs. 10521.55 Lakh and Rs. 1792.32 Lakh, per annum for Cloth Finished, processed cotton; Cotton Yarn, Blended cotton yarn; Cotton fabric and cotton mixture fabrics; and Terry Towel respectively. For more information on such promotional policies, see the chapter titled see the chapters titled "***Key Regulations and Policies***" and "***Government and Other Approvals***" on pages 191 and 378 of this Draft Red Herring Prospectus. Any newly introduced or revised policies in relation to the tax or subsidy issued by relevant statutory authorities, may deprive us of our existing benefits which may adversely affect our results of operations and cash flows.

We cannot predict the current or future initiatives of the governments and relevant authorities and there can be no assurance that we will continue to enjoy tax incentives and other subsidies. Moreover, we may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions. The reduction or termination of our tax incentives and other subsidies, or non-compliance with the conditions under which such tax incentives and other subsidies are made available, will increase our financial liability and adversely affect our business results of operations and financial condition.

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

As on date of this Draft Red Herring Prospectus, our Promoters hold approximately 53.56% of the share capital of our Company. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour.

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

There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. We have referred different industrial association and other governmental sources and reports for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the Book Running Lead Managers or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, there is no assurance that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

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

We derive a significant portion of our revenue from export outside India that are denominated in foreign currency. Further, we also import raw materials for manufacturing of products from outside India on regular basis. Changes in currency exchange rate therefore influence our results of operations. Revenue generated from sale outside India represented around 34.54% of our revenue for a period of six months ended on September 30, 2021 and 47.90%, 50.92% & 44.02% of our revenue from operations in Fiscal 2021, Fiscal 2020 & Fiscal 2019 respectively. The exchange rate between the Indian Rupee and foreign currencies, primarily the U.S. dollar, has fluctuated in the past and our cost of raw materials and results of operations may be impacted by such fluctuations. Any fluctuations in the foreign currency exchange rates may have an adverse impact on our results of operations. A decline in India's foreign exchange reserves could impact the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition. A future material decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy which in turn, could adversely affect our business and future financial performance.

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

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

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

Our business requires significant amount of working capital for carrying-out its activities. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or

utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. For further information on the working capital facilities currently availed of by us, see the chapter titled “**Financial Indebtedness**” beginning on page 364 of this Draft Red Herring Prospectus.

32. *The objects of the Issue include funding working capital requirements of our Company, which are based on certain assumptions and estimates and such working capital requirements may not be indicative of the actual requirements of our Company.*

The objects of the Issue include funding working capital requirements of our Company, which are based on management estimates and certain assumptions in relation to inter alia cost and holding periods of inventories of raw materials and finished goods as well as capacity utilisation. For details, see the chapter titled “**Objects of the Issue**” beginning on page 114 of this Draft Red Herring Prospectus. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions and availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

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

Our Company intends to use Net Proceeds raised pursuant to the Issue in the manner set out in the chapter titled “**Objects of the Issue**” beginning on page 114 of this Draft Red Herring Prospectus. In accordance with Section 27 of the Companies Act, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of Shareholders of our Company through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the Shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the Shareholders of our Company may adversely affect our business or operations. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

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

We have not declared any dividend during the current Fiscal and in the last three Fiscals. For further information, see the chapter titled “**Dividend Policy**” beginning on page 249 of this Draft Red Herring Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend distribution policy of our Company was approved and adopted by our Board on August 14, 2021. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

35. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the Taxation Laws (Amendment) Act, 2019 (the “**Tax Amendment Act 2019**”) has been introduced by the Ministry of Finance on December 11, 2019, which amends the Income-tax Act, 1961 and Finance Act (No. 2) Act, 2019 mainly to reduce the corporate income-tax rates of domestic companies with a view to attract investment, generate employment and boost the economy of the country. Accordingly, companies can henceforth, voluntarily opt in favor of a concessional tax rate under the amended provisions. Consequently, availment of the concessional tax rate may affect exemptions and benefits currently availed by us. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would affect our profitability.

The Finance Act, 2020 has, amongst other things, provides a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and dividend distribution tax (“**DDT**”). Henceforth, DDT will not be payable in respect of dividends declared, distributed, or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deduction of tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Section 92 of the Income Tax Act, 1961 provides that income arising from an ‘international transaction’ shall be computed having regard to the arm’s length price. The expression ‘international transaction’ has been defined to mean a transaction between two or more ‘associated enterprises’, either or both of whom are non-residents, in the nature of purchase, sale

or lease of tangible or intangible property, or provision of services, or lending or borrowing money, or any other transaction having a bearing on the profits, income, losses or assets of such enterprises. Further, two enterprises shall be treated as associated enterprises if any of the criteria as enumerated in Section 92A of the Income Tax Act, 1961 is being satisfied. Our vendors and buyers are situated both in India and outside India and it may be possible that we get into international transactions with them. In such a process, we may suffer unanticipated tax liabilities which cannot be predicted by us at the moment.

Further, a draft of the Personal Data Protection Bill, 2019 has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a standing committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation, or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

The Supreme Court of India has in its decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Further, in order to rationalize and reform all labour laws in India, the Indian Government has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combined taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

Further, the Government of India had announced the union budget for Financial Year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation, or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

36. We are subject to a number of markets, business, financial, legal and regulatory risks and uncertainties with respect to our international sales that could have a material impact on our business, financial condition or results of operations.

Revenue generated from sale outside India represented around 34.54% of our revenue for a period of six months ended on September 30, 2021 and 47.90%, 50.92% & 44.02% of our revenue from operations in Fiscal 2021, Fiscal 2020 & Fiscal 2019 respectively. An important part of our strategy is to continue pursuing growth opportunities and market share outside of India by expanding global presence. Our international sales are subject to a number of markets, business and financial risks and uncertainties, including those related to our use of distribution partners, geopolitical and economic instability, natural calamities, civil disruptions, foreign currency exchange and interest rate fluctuations, competitive product offerings, local product preferences and requirements and longer accounts receivable cycles. These factors may cause us to experience more uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, which could affect our ability to sale our products in those jurisdictions and adversely impact our sales, market share and operating profits from our international operations. In addition, our international operations are subject to other established and developing legal and regulatory requirements, including with respect to foreign import and export controls and licensing requirements, trade protection and embargo measures and customs laws. Changes or uncertainty in international trade policies or tariffs could impact our global operations, as well as our customers. We may be required to incur additional costs to manufacture and distribute certain of our products. This could adversely impact our business and results of operations. Any alleged or actual failure to comply with legal and regulatory requirements may subject us to government scrutiny, civil and/or criminal proceedings, sanctions and other liabilities, which may have a material adverse effect on our international operations, financial condition, results of operations and/or liquidity.

In addition, our ability to sell to certain foreign customers depends on the various certifications and reports that we obtained from different agencies based upon the tests and inspections carried-out at our manufacturing units. For further information, see the chapter titled “**Government and Other Approvals**” beginning on page 378 of this Draft Red Herring Prospectus. In the event we are unable to renew or maintain these certifications, it may adversely impact our ability to sell our products to our foreign customers.

Such risks and uncertainties may adversely impact our ability to implement our growth strategy in foreign markets and, as a result, our sales growth, market share and operating profits from our international sales may be adversely affected.

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

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

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

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

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amount outstanding and payable by us as secured loans were ₹ 34,503.26 Lakh as on September 30, 2021. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, security interest on our properties may be invoked by lenders, which in turn could have significant adverse impact on business, financial condition or results of operations. For further information, see the chapter titled "**Financial Indebtedness**" beginning on page 364 of this Draft Red Herring Prospectus.

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

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

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

There are certain related party transactions which have not been entered at market value. For instance, our Company has entered into a lease deed dated July 5, 2016 with certain lessors (including our directors namely, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal) for manufacturing facility at Piplej Unit. The lease rent for said unit is only ₹ 1 Lakh per annum for 99 years which is very low in comparison to prevailing lease rent in market.

There can be no assurance that such transactions, individually or in aggregate, will always be in the best interests of our Shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details on the transactions entered by us, see the chapter titled "**Restated Financial Statements**" beginning on page 250 of this Draft Red Herring Prospectus.

41. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. We cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils, terrorism, earthquake (fire and shock). While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, however, there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. 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. Damage to building and stocks due to cyclone have occurred in our manufacturing facilities situated at Piplej Unit and Dholi Unit in past. In this regard, as on the date of this Draft Red Herring Prospectus, two insurance claims are pending with The New India Assurance Company Limited for claim amounts of ₹ 12.52 Lakh for Piplej Unit claimed on May 18, 2021 and ₹ 18.50 Lakh for Dholi Unit claimed on May 18, 2021. These insurance claims are pending to be received by us. As a result of future operations, there may be additional claims and liabilities which may be potential to materially impact our financial position.

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

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

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

Our Company is engaged in the business of manufacturing of towels, toweling products, cotton yarn and woven fabric, and cotton is used as the primary raw material during our manufacturing process in all our divisions. Therefore, we are highly dependent on cotton, and it forms the most important and primary component of our manufacturing process.

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

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

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

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

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

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

our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Catastrophic events may also destroy any inventory located in our facilities. The occurrence of such an event could materially and adversely affect our business.

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

Our Company has employed 2037 employees all of whom are on our payrolls. The above includes employees in the top and middle management and also employees who are part of processing unit and office staff. Our operations and performance are labour intensive and depends on our ability to identify, attract and retain both skilled and unskilled labour. Textile industry, to some extent, requires different skills than that for other fabric processing. In case such labour is unavailable or we are unable to identify and retain such labourers, our business could be adversely affected. In order to retain flexibility and control costs, we also appoint independent contractors who in turn engage on-site contract labour for performing certain of our ancillary operations. Any failure to hire the appropriate contract labour may impact the operations, production and revenue.

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

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

48. We rely on contract manufacturers to get finished towels / woven fabric manufactured for further processing in our unit. Any failure by or loss of contract manufacturers could result in delays and increased costs, which may adversely affect our business.

To meet the demand in the market, we get finished towels / woven fabric manufactured on outsourced basis which further undergoes CSP (Cutting, Stitching, Packing) process at our unit. We depend on these contract manufactures to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable

manufacturing yields and to deliver those products to us on a timely basis. However, we cannot guarantee that these contract manufacturers will be able to meet our manufacturing requirements, which could result in loss of sales and have an adverse effect on our business. Moreover, if any of our contract manufacturers suffer any damage to facilities, experience disruptions on account of power outages or otherwise, theft of materials, encounter financial difficulties or suffer any other reduction in efficiency, we may experience significant business disruption. In the event of any such disruption, we would need to seek and source other qualified contract manufacturers, likely resulting in further delays and increased costs which could affect our business adversely.

49. *Our Company depends on timely identification of evolving fashion trends and creating new designs of our products. Any lag on the part of our Company in this regard may adversely affect our business operations.*

The key success factor in the textiles business is in creating appealing designs and colour combinations to create buyer appeal. In order to be in line with this success factor, we maintain a team of in-house designers who design and develop the products as per customer's needs. This team works on the development of designs by analyzing the needs of clients by parameters like latest dyeing combinations, new printing techniques & patterns and most importantly the feedback gained from the sales of the similar products that were designed earlier. Our inability to tap the changing fashion can lead to rejection and obsolescence of our textiles thus damaging goodwill, business operations and financial conditions. We also depend upon export of our products to our clients located outside India. It is very important for the designing team and also the Company's management to have a good understanding of the trends prevailing in that particular country. It is necessary to study the evolving trends in each country / region to gain acceptance of our products. Further, we envisage to expanding our international reach to different regions of world and for this we have to study and understand the trends and likes & dislikes of that region before entering the said markets. Any failure to update ourselves or understand the trends in different regions of the world may result in reduction of our export sales, adversely affecting our financial condition.

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

The funds that we receive would be utilized for the objects of the Issue in the manner stated in the chapter titled "***Objects of the Issue***" beginning on page 114 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our working capital limits and reschedule our loan repayment period resulting in unprecedented financial mismatch and this may affect our revenues and results of operations. Further, our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability.

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

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and

other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on Equity Share price of our Company.

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

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

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

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

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

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

The state of Gujarat is a national hub for the textile industry and this has resulted in huge competitive pressures. We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. We are also in direct competition with the leading textile processing units in India as well as the local units. Our competitiveness is also measured by the technology we adopt as the textile industry is rapidly growing in India and in international markets. Some of our clients are based outside India which in turn compel us to meet international standards also. Our inability to compete with this intense competition; local, national and international will have material adverse impact on our Company's financial position. For further details, see the chapter titled "**Industry Overview**" beginning on page 134 of this Draft Red Herring Prospectus.

55. *The success of our business and operations are dependent upon certain quality certifications which are valid for a limited time period. An inability to renew such certifications in a timely manner, or at all, may adversely affect our business and prospects.*

Our manufacturing facilities are certified from most reputed global certification agencies for our quality, environment consciousness, labor practices, our processes and customer services such as OEKO-TEX, SEDEX, GOTS (Global Organic Textile Standard), SA 8000 etc. For further information, see the chapter titled "**Government and other Approvals**" beginning on page 378 of this Draft Red Herring Prospectus. Receipt of certifications under the quality, environment consciousness, labor practices, our processes and customer services are important for the success and wide acceptability of our products to our customers outside India. As a trend in international market, our international customers purchase products from manufacturers based upon their certifications granted by global certification agencies. If we fail to comply with the requirements for applicable certifications, or if we are otherwise unable to obtain or renew such certifications in the future, in a timely manner, or at all, we may fail to retain purchase orders from our international customers which may lead to loss of our business, financial condition and revenue.

Our manufacturing facilities are subject to inspections and quality audits by global certification agencies and any failure on our part to meet their expectations or to comply with the standards set out by global certification agencies, could result in rejection of our product lot(s) and/or the termination of our purchase orders which may adversely affect our business, results of operations, financial condition and cash flows. Certain of our clients regularly examine our manufacturing

processes, quality control and procedures and records of our manufacturing facilities after reasonable notice and at a reasonable time to ensure that our services are meeting their internal standards and regulatory requirements. Any failure on our part to meet the expectations of our clients and to comply with their quality standards, could result in the rejection of our product lot(s) and/ or termination of our customer contracts and our clients may choose to source their requirements from our competitors. We may also incur significant costs to upgrade our facilities and manufacturing processes. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition and cash flows in addition to reputational damage.

56. Delay or failure in the implementation of our sales orders, on the part of our contract manufacturer may adversely affect our business, financial condition and results of operations.

In relation to certain products, we outsource part of the work to contract manufacturers, by using these contract manufacturers to produce final intermediate. For such orders, the performance of the product for our client depends partly on our performance and partly on that of our contract manufacturers. While there have been no material delays on part of our contract manufacturers, any such delay or failure on the part of a contract manufacturer to complete its work in the future, for any reason, could also result in: (i) delayed payment to us for our products; (ii) liquidated damages may become payable by us; (iii) claims may be brought against us for losses suffered as a result of our non-performance; (iv) our clients may terminate our purchase orders; (v) disruption in manufacturing schedule; (vi) increase in cost; and (vii) damage to our reputation. Additionally, our contract manufacturers may not have adequate financial resources to meet their indemnity obligations to us. The occurrence of any of these possibilities may adversely affect our business, financial condition and results of operations.

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

We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations. Our products might have certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence, human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the international quality standard asset by our international customers and agencies as deviation from the same may cause them to reject our products and cause damage to our reputation, market standing and brand value. In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and image, as well as entail significant costs.

58. In the event our marketing initiatives do not yield intended results our business and results of operations may be adversely affected.

We believe that our marketing initiatives have contributed to the growth of our business. We intend to continue to market our products domestically and internationally through the use of marketing and public relations initiatives. In order to maintain and enhance such recognition and reputation of our products, we may be required to invest significant resources towards marketing, specifically with respect to new products we launch or for geographic markets where we intend to expand our operations. Our commission and business promotion expenses for six months period ended on September 30, 2021 is ₹ 284.12 Lakh and for the Fiscals 2021, 2020 and 2019 were ₹ 225.78 Lakh, ₹ 430.35 Lakh and ₹ 191 Lakh respectively. If we incur advertising and marketing expenses to maintain and enhance recognition and reputation of our products, and in the event, they do not yield their intended results, or we are required to incur additional expenditures than anticipated, our business and results of operations might be adversely affected.

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

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

60. Our Company does not have any documentary evidence for the educational qualifications of one of our directors.

Our Chairman and Non-Executive Director, Mr. Vedprakash Chiripal, is unable to trace documents evidencing his educational qualifications. Due to lack of documents and relevant information from Mr. Vedprakash Chiripal, we have not disclosed details of his educational qualifications in his biography in the chapter titled “*Our Management*” as is required under the SEBI ICDR Regulations. For further details, see the chapter titled “*Our Management*” beginning on page 209 of this Draft Red Herring Prospectus.

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

We may expose to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business practice, we supply our products directly to certain customers without taking any advance payment against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it may have a material adverse effect on our Company’s results of operations and financial condition. Even though we have availed multi buyer exposure policy (export risk) to insure our Company against the risk of commercial default

insolvency and protracted default, we cannot assure you that the said policy will provide adequate cover towards the losses which may be incurred due to the defaults committed by our customers. For the Fiscals 2021, 2020 and 2019 our trade receivables were ₹ 1,01,85.63 Lakh, ₹ 85,77.25 Lakh and ₹ 69,82.38 Lakh respectively and for the period ended on September 30, 2021 is ₹ 14,858.21 Lakh, out of which, debts amounting to ₹ 444.77 Lakh as on September 30, 2021 are outstanding for a period exceeding six months. There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfill their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

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

We sell our products in countries such as United States of America, Canada, Israel, Germany, Hong Kong, Sweden, United Kingdom, Australia, etc. A significant portion of our revenue is derived from our export operations however, we have not set up any offshore offices to supplement our international operations. Although, we have employed a foreign national outside India as a Vice President Sales & Marketing (UK & Ireland) for sales and marketing of our products in United Kingdom and Ireland, there can be no assurance that our sales and marketing strategies will be adequate to cover our international operations. Consequently, we may not be able to properly market our products, capitalised opportunities offered by the international markets or coordinate with the intermediaries of such markets to effectively forecast market demands, fashion trends in a timely manner. We cannot assure you that in the near future we will be able to set up our offices overseas to manage our international operations and that the lack of same will not adversely affect our business.

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

Any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability. Our manufacturing process requires the use of machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. Damage to building and stocks due to cyclone have occurred in our manufacturing facilities situated at Piplej Unit and Dholi Unit in past. In this regard, as on the date of this Draft Red Herring Prospectus, two insurance claims are pending with The New India Assurance Company Limited for claim amounts of ₹ 12.52 Lakh for Piplej Unit and ₹ 18.50 Lakh for Dholi Unit, both claimed on May 18, 2021.

Further, the key raw material used by us for manufacturing our products is cotton. Cotton being a highly inflammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. Due to its combustible nature of cotton and the semi-finished or finished products manufactured by us, we may be exposed to fires or other industrial accidents and every stage from procurement, processing, storage and transportation to trading is fraught with an imminent risk of loss by fire. With the use of chemicals, boilers, etc. the risk of fire hazard increases exponentially. The stocks of finished goods, raw materials, godowns and the main manufacturing area are more prone to such accidents, which could cause substantial loss to our machinery, thus hampering our business operations. Further, any fire or industrial accident, any shutdown of our manufacturing units or

any environmental damages will increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations. We have obtained certain insurance policies such as industrial all risk policy, marine export import policy, multi buyer exposure policy, etc. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. We have adopted adequate safety measures; however, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it may adversely affect our results of operations and financial position.

EXTERNAL RISK FACTORS

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

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

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

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

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic

H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;

- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

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

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

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

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect

our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

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

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

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

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

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

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

69. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business*

The Competition Act regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects. The Central Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Further, our business is also impacted by regulation and conditions in the various states in India where we operate. Our business, and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in central or state Government policies, taxation and other political, economic or other developments in or affecting India. Since 1991, successive Central Governments have pursued policies of economic liberalization and financial sector reforms. Any slowdown in these demand drivers or change in Government policies may adversely impact our business and operations. Generally, a significant adverse change in the Central Government's policies could adversely affect our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline.

70. *Investors may have difficulty in enforcing foreign judgments against our Company or our management.*

Our Company is a company incorporated under the laws of India. All Directors on the Board of Directors of our Company and our employees are residents of India and substantial portion of our assets and such persons are located in India. As a result, it may not be possible for prospective

investors outside India to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or would enforce foreign judgments if that court was of the view that the number of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“CPC”). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; and (f) where the judgment sustains a claim founded on a breach of any law then in force in India. Further, India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment.

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

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

RISKS RELATING TO EQUITY SHARES

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

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

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

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

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

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under the chapter "**Basis for Issue Price**" beginning on page 126 of this Draft Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Issue Price.

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

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

Herring Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. The Government of India has announced the union budget for Fiscal 2022, and the Finance Act, 2021 has received assent from the President of India on March 28, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act, 2021 would have an adverse effect on our business, financial condition and results of operations. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company’s business, financial condition, results of operations and cash flows

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors’ shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoters or members of the Promoter Group may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is

not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed by the GoI in the Consolidated FDI Policy dated October 15, 2020. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see the chapter titled ***“Restrictions on Foreign Ownership of Indian Securities”*** beginning on page 436 of this Draft Red Herring Prospectus.

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

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

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

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management’s attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to

hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Issue is approved by the Stock Exchanges. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take time from the Bid/ Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges could also take from the Bid/Issue Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see the chapter titled "**Terms of the Issue**" beginning on page 403 of this Draft Red Herring Prospectus. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

SECTION III: INTRODUCTION

THE ISSUE

The following table summarizes the details of the Issue in terms of this Draft Red Herring Prospectus:

Equity Shares Issued	
Issue of Equity Shares by our Company ^{1)#}	Issue of up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up of our Company for cash at a price of ₹ [●]/- per Equity Shares, aggregating up to ₹ 25,496.17/- Lakh
The Net Issue comprises of:	
A) QIB Portion ^{2) 3)}	Not more than [●] Equity Shares of face value of ₹ 10/- each fully paid-up
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up
<i>of which:</i>	
(a) Mutual Fund Portion (5% of the Net QIB Portion) ⁴⁾	Up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up
(b) Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹ 10/- each fully paid-up
B) Non-Institutional Portion ³⁾	Not less than [●] Equity Shares of face value of ₹ 10/- each fully paid-up
C) Retail Portion ³⁾	Not less than [●] Equity Shares of face value of ₹ 10/- each fully paid-up
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	4,57,62,360 Equity Shares of face value of ₹ 10/- each fully paid-up
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of ₹ 10/- each fully paid-up
Utilisation of Net Proceeds	See the chapter titled " Objects of the Issue " beginning on page 114 of this Draft Red Herring Prospectus for information about the use of proceeds from the Issue.

#Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of such number of Equity Shares for each consideration aggregating up to ₹ 4,000 lakh, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the minimum offer size requirements prescribed under Regulation 19(2)(b) of SCRR

Notes:

- (1) *The Issue has been approved and authorised by the Board of Directors vide a resolution passed in their meeting held on August 14, 2021 for a total Issue of ₹ 20,000 Lakh which was further enhanced to ₹ 35,000 Lakh vide a resolution passed in their meeting held on September 13, 2021 and by the Shareholders of our Company vide a special resolution passed pursuant to the Companies Act, 2013 at the extraordinary general meeting held on August 18, 2021 for ₹ 20,000 Lakh and revised enhanced value to ₹ 35,000 Lakh was approved vide a special resolution passed at EGM held on October 11, 2021.*

- (2) *The Issue is made in terms of Chapter II of the SEBI ICDR Regulations. The Issue is being made by our Company in terms of Regulation 6(1) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post issue Equity Share capital of our Company are being offered to the Company for subscription.*
- (3) *Our Company in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see the chapter titled “**Issue Procedure**” beginning on page 414 of this Draft Red Herring Prospectus.*
- (4) *Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. For further details, see the chapter titled “**Issue Procedure**” beginning on page 414 of this Draft Red Herring Prospectus.*
- (5) *Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see the chapter titled “**Issue Procedure**” beginning on page 414 of this Draft Red Herring Prospectus.*

Further, for details in relation to the terms of the Issue, see the chapter titled “**Terms of the Issue**” beginning on page 403 of this Draft Red Herring Prospectus. For details, including in relation to grounds for rejection of Bids, see the chapters titled “**Issue Structure**” and “**Issue Procedure**” beginning on pages 410 and 414, respectively of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Statements. The summary financial information presented below has been prepared in accordance with Ind AS for 6 months ending on September 30, 2021 and the Fiscals 2021, 2020 and 2019 and restated in accordance with the SEBI ICDR Regulations and are presented in the chapter titled “**Restated Financial Statements**” beginning on page 250 of this Draft Red Herring Prospectus.

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Nandan Terry Limited
 (Formerly known as Nandan Terry Private Limited)
 CIN: U17291MH2015PLC261384
 Annexure - I - Restated Assets and Liabilities
 (All amounts are rupees in lakhs unless otherwise stated)

Particulars		Note No.	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
A	ASSETS					
1	Non-current assets					
	(a) Property, Plant and Equipment	4	41,528.76	41,649.03	44,124.39	46,475.88
	(b) Capital work-in-progress	5	228.59	115.83	-	-
	(c) Intangible assets	6	101.05	89.00	82.33	49.43
	(d) Financial Assets					
	(i) Investments	7	410.10	188.70	89.70	322.20
	(ii) Others	8	560.47	317.74	187.18	199.10
	(e) Deferred tax assets (net)	9	-	-	348.79	591.07
	(f) Other non-current assets	10	762.80	977.13	1,021.26	311.90
	Total Non - Current Assets		43,591.77	43,337.43	45,853.65	47,949.57
2	Current assets					
	(a) Inventories	11	8,782.54	7,340.40	6,296.01	7,732.99
	(b) Financial Assets					
	(i) Trade receivables	12	14,858.21	10,185.63	8,577.25	6,982.38
	(ii) Cash and cash equivalents	13	232.29	2,076.26	397.95	42.86
	(iii) Other Financial assets	8	13.03	13.03	0.34	0.34
	(c) Current Tax Assets (Net)	14	48.60	22.14	5.41	8.27
	(d) Other current assets	10	5,937.44	4,994.92	4,398.23	3,067.49
	Total Current Assets		29,872.11	24,632.38	19,675.19	17,834.33
	Total Assets (1+2)		73,463.88	67,969.81	65,528.84	65,783.90
B	EQUITY AND LIABILITIES					
1	Equity					
	(a) Share capital	15	4,576.24	1,525.41	1,525.41	1,525.41
	(b) Other Equity	16	10,332.37	10,169.23	7,764.62	7,848.00
	Total equity		14,908.61	11,694.64	9,290.03	9,373.41
	LIABILITIES					
2	Non-current liabilities					
	(a) Financial Liabilities					
	(i) Borrowings	17	39,537.37	42,405.15	41,233.96	41,476.07
	(ii) Other financial liabilities	18				974.37
	(b) Provisions	19	127.59	99.79	69.25	35.21
	(c) Deferred tax liabilities (Net)	20	1,576.61	481.21	-	-
	Total Non - Current Liabilities		41,241.57	42,986.15	41,303.21	42,485.65
3	Current liabilities					
	(a) Financial Liabilities					
	(i) Borrowings	17	6,171.88	5,151.98	7,725.28	6,279.92
	(ii) Trade payables	21	5,095.21	3,270.83	4,540.05	2,447.03
	(iii) Other financial liabilities	18	5,973.32	4,762.00	2,578.75	5,147.03
	(b) Other current liabilities	22	29.14	76.33	72.01	38.90
	(c) Provisions	19	44.15	27.88	19.51	11.96
	Total Current Liabilities		17,313.70	13,289.03	14,935.60	13,924.84
	Total Equity and Liabilities (1+2+3)		73,463.88	67,969.81	65,528.84	65,783.90

Nandan Terry Limited
(Formerly known as Nandan Terry Private Limited)
CIN: U17291MH2015PLC261384
Annexure-II Restated Statement of Profit and Loss
(All amounts are rupees in lakhs unless otherwise stated)

Particulars	Note No.	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
INCOME					
I Revenue from operations	23	50181.18	53852.43	42938.62	32216.59
II Other Income	24	26.26	41.69	30.86	26.16
III Total Income (I + II)		50207.44	53894.12	42969.48	32242.75
IV EXPENSES					
(a) Cost of materials consumed	25	36852.05	31951.83	22855.23	19217.50
(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	-1606.09	-17.47	1432.39	-1789.29
(c) Employee benefit expense	27	2536.03	3622.59	4156.46	3358.92
(d) Finance costs	28	1588.79	2942.66	3185.29	3385.70
(e) Depreciation and amortisation expense	29	1342.53	2636.31	2634.52	1733.48
(f) Other expenses	30	5387.82	9612.94	8310.16	6374.67
Total Expenses		46101.13	50748.86	42574.05	32280.98
V Profit/(loss) before tax (III- IV)		4106.31	3145.26	395.43	-38.23
VI Tax Expense					
(a) Current tax	31	0.00	0.00	0.00	0.00
(b) Deferred tax liability / (assets)	31	1044.30	807.51	273.03	12.18
Total tax expense		1044.30	807.51	273.03	12.18
VII Profit/(loss) after tax from continuing operations (V - VI)		0.00	2337.74	122.40	-50.41
VII Profit/(loss) for the period (V-VI)		3062.02	2337.74	122.40	-50.41
VIII Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss					
(a) Remeasurements of the defined benefit plans	32	-18.35	-9.63	-4.04	0.00
(b) Equity instruments through other comprehensive income	32	221.40	99.00	-232.50	-411.30
(ii) Income tax relating to items that will not be reclassified to profit or loss					
	32	-51.10	-22.49	30.76	135.99
Total Other Comprehensive Income		151.95	66.88	-205.78	-275.31
IX Total comprehensive income for the period (VII+VIII)		3213.97	2404.62	-83.38	-325.72

Particulars	Note No.	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
X Basic & diluted earnings per share of face value of Rs.10 each Fully Paid up					
(a) Basic		6.69	5.11	0.27	-0.11
(b) Diluted		6.69	5.11	0.27	-0.11

Nandan Terry Limited
(Formerly known as Nandan Terry Private Limited)
CIN: U17291MH2015PLC261384
Annexure IV - Restated Statement of Cash Flows
(All amounts are rupees in lakhs unless otherwise stated)

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
Cash flow from operating activities				
Profit before tax	4,106.31	3,145.25	395.43	-38.23
Adjustments for:				
Depreciation and amortisation expense	1,342.53	2,636.31	2,634.52	1,733.48
Finance costs	1,588.79	2,942.66	3,185.29	3,385.70
Provision for expected credit Loss or reversal thereof	-2.58	0.44	1.35	2.83
Bad-debt written off	-	-	-	18.93
Interest income	-23.69	-21.10	-30.86	-21.36
Dividend income	-	-	-	-4.80
Amortisation of Prepayment charges	22.13	44.13	31.50	0.08
Operating profit before working capital changes	7,033.49	8,747.69	6,217.23	5,076.63
Changes in operating assets and liabilities:				
(Increase)/Decrease in Inventories	-1,442.14	-1,044.40	1,436.99	-2,615.11
(Increase)/Decrease in Trade receivables	-4,670.00	-1,608.82	-1,596.23	-3,003.63
(Increase)/Decrease in Other Non-Current Financial Assets	-2.00	-	76.18	-
(Increase)/Decrease in Other Current Financial Assets	-	-12.69	-	5.96
(Increase)/Decrease in Other Current Assets	-942.51	-599.15	-1,326.70	1,194.16
Increase/(Decrease) in Trade Payables	1,824.38	-1,269.22	2,093.02	1,025.89
Increase/(Decrease) in Other Current Liabilities	-47.20	4.32	33.11	-12.06
Increase/(Decrease) in Provisions (Current Liabilities)	9.45	20.91	30.01	35.21
Increase/(Decrease) in Provisions (Non-Current Liabilities)	16.26	8.37	7.55	11.96
Cash flow generated from operations	1779.75	4,247.01	6,971.16	1,719.01
Direct taxes Paid (net)	-26.47	-14.26	-1.18	-60.43
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)	1753.28	4,232.75	6,969.98	1,658.58
Cash flows from investing activities				
Purchase of Property, Plant and Equipments	-1,154.85	-283.46	-2,031.17	31.95
Proceeds from sale of Property, Plant and Equipments	-	-	-	-
Interest received	23.69	21.10	30.86	21.36
Dividend received	-	-	-	4.80
Bank deposits (made) / matured	-240.73	-130.56	-64.27	887.49
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	-1,371.89	-392.92	-2,064.58	945.60
Cash flows from financing activities				
Proceeds / (Repayments) of Non-current Borrowings	-1,656.46	3,354.44	-2,810.38	-563.16
Proceeds / (Repayments) of Current Borrowings	1,019.91	-2,573.30	1,445.36	1,348.35
Finance Costs Paid	-1,588.79	-2,942.66	-3,185.29	-3,385.70

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)	-2,225.35	-2,161.52	-4,550.31	-2,600.52
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	-1,843.96	1,678.31	355.09	3.66
Cash and cash equivalents at the beginning of the year	2,076.26	397.95	42.86	39.20
Cash and cash equivalents at the end of the year	232.30	2,076.26	397.95	42.86

GENERAL INFORMATION

Our Company was incorporated as **Nandan Terry Private Limited**, a private limited company, at Mumbai under the Companies Act, 2013 on January 27, 2015 and was granted the certificate of incorporation by the Registrar of Companies, Mumbai at Maharashtra (“**RoC**”). Subsequently, the name of our Company was changed to Nandan Terry Limited pursuant to a special resolution passed by the shareholders of our Company on July 30, 2021, and a fresh certificate of incorporation dated August 12, 2021 was issued by the RoC consequent upon change of name and conversion into a public limited company under the Companies Act, 2013 and our Corporate Identification Number (CIN) is U17291MH2015PLC261384. The registered office of our Company is situated at Unit No.109 Peninsula Centre, Dr. S.S. Rao Road, Behind Piramal Chambers, Parel (E) Mumbai – 400012, Maharashtra.

For details of incorporation, change in name and registered office of our Company, see the chapter titled “**History and Certain Corporate Matters**” beginning on page 205 of this Draft Red Herring Prospectus.

REGISTERED OFFICE OF THE COMPANY

Nandan Terry Limited

Unit No.109 Peninsula Centre,
Dr. S.S. Rao Road, Behind Piramal Chambers,
Parel (E) Mumbai – 400012, Maharashtra, India

Telephone: +91 – 22 – 66604123

Fax: 022-66604123

E-mail: info@nandanterry.com

Website: www.nandanterry.com

CIN: U17291MH2015PLC261384

Registration number of our Company: 261384

CORPORATE OFFICE OF THE COMPANY

Nandan Terry Limited

Shanti Corporate House,
Beside Hira Rupa Hall, Opposite Landmark Hotel,
Bopal, Ambli Road, Ahmedabad – 380058, Gujarat

Telephone: +91 – 8780516686

E-mail: cs@nandanterry.com

Website: www.nandanterry.com

ADDRESS OF THE REGISTRAR OF COMPANIES

Registrar of Companies,
100, Everest, Marine Drive,
Mumbai – 400002, Maharashtra

BOARD OF DIRECTORS

As on the date of this Draft Red Herring Prospectus, our Board of Directors of the Company comprises the following:

Name of Director	Designation	DIN	Address
Vedprakash Chiripal	Chairman and Non Executive Director	00290454	11, Nandi Hill Society, Opp. ISRO, Satellite Road, Ahmedabad – 380015, Gujarat, India
Brijmohan D Chiripal	Managing Director	00290426	10, Nandihil Society, Satellite Road, Ahmedabad City, Ambawadi Vistar, Ahmedabad – 380015, Gujarat, India
Vipin Chandra Rajput	Whole – Time Director	08700962	No – 616/8, Gali No. 6, Behind Sector – 7 H.B.C., Ambedkar Nagar, Gurgaon – 122001, Haryana, India
Susanta Kumar Panda	Independent Director	07917003	Y-78, 2 nd Floor, Hauz Khas, South Delhi, Delhi – 110016, India
Dhara Shah	Independent Director	06983857	1385-5, Salvi No khancho, Dhanasuthar Ni Pole, Kalupar, Ahmedabad city, Ahmedabad – 380001, Gujarat, India
Debdatta Nandwani	Independent Director	09225909	Urbana Tower-7, Flat no. – 1204, 783 Anandapur Madurdaha, Near Ruby Hospital, E.K.T., Kolkata – 700107, West Bengal, India

For further details and brief profiles of our Board of Directors, see the chapter titled “*Our Management*” beginning on page 209 of this Draft Red Herring Prospectus.

CHIEF EXECUTIVE OFFICER OF OUR COMPANY

Ronak Brijmohan Chiripal

Shanti Corporate House,
Beside Hira Rupa Hall, Opposite Landmark Hotel,
Bopal, Ambli Road, Ahmedabad – 380058, Gujarat
Tel: +91 – 9687826262
E-mail: ronak@nandanterry.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Deval Bakulkumar Patel

Shanti Corporate House,
Beside Hira Rupa Hall, Opposite Landmark Hotel,
Bopal, Ambli Road, Ahmedabad – 380058, Gujarat
Tel: +91 – 8780516686
E-mail: cs@nandanterry.com

FINANCIAL ADVISOR TO OUR COMPANY

Pinnacle Credit Advisors Private Limited

B/1006, Sankalp Iconic Tower, Ambli Rd,
Opp. Double Tree by Hilton,
Ahmedabad – 380058, Gujarat

Tel: +91 – 9725196979

E-mail: alpesh@pinnacleadvisory.co.in

Website: www.pinnacleadvisory.co.in

Contact Person: Alpesh Purohit

LEGAL ADVISOR TO THE ISSUE

Chir Amrit Corporate LLP

6th Floor, Unique Destination,
Opp. Times of India, Tonk Road
Jaipur – 302015, Rajasthan

Tel: +91 – 141 – 4044500

E-mail: harsha@chiramritlaw.com

Website: www.chiramritlaw.com

Contact Person: Harsha Totuka

BANKERS TO OUR COMPANY

Bank of Baroda

Bank of Baroda Building, 2nd Floor,
Mumbai Main Office, 10/12 Mumbai Samachar
Marg, Hornimon Circle, Fort, Mumbai – 400001,
Maharashtra

Tel: +91 – 22 – 40468301

E-mail: fortap@bankofbaroda.co.in

Website: www.bankofbaroda.in

Contact Person: Jagajjiban Mohapatra

Punjab National Bank

LCB Cuffe Parade, Maker Towers F,
14th Floor, Cuffe Parade, Mumbai – 400005,
Maharashtra

Tel: +91 – 22 – 43023100

E-mail: Bo090210@pnb.co.in

Website: www.pnbindia.in

Contact Person: Suresh Salian

State Bank of India

Small and Medium Enterprises Branch,
Tejpur Patiya, Sarkhej-Bavla Highway,
Changodar, Ahmedabad – 382213, Gujarat

Tel: 02717 – 250118

E-mail: Sbi.16382@sbi.co.in

Website: www.sbi.co.in

Fax: 02717 – 250119

Contact Person: K U P Prakash

Canara Bank

3rd Floor, Large Corporate Branch, Homji Street,
Mumbai – 400023, Maharashtra

Tel: 022 – 22662654

E-mail: cb15063@canarabank.com

Website: www.canarabank.com

Fax: 022 – 22634328

Contact Person: Dineshkumar S Kotian

Central Bank of India

Mid Corporate Finance Branch, Lal Darwaja,
Ahmedabad – 380001

Tel: 079 – 71786065

E-mail: bmahme3874@centralbank.co.in

Website: www.centralbankofindia.co.in

Contact Person: N. K. Punjabi

BOOK RUNNING LEAD MANAGERS

Holani Consultants Private Limited

401 – 405 & 416 – 418 4th Floor, Soni Paris Point,
Jai Singh Highway, Bani Park, Jaipur – 302016,
Rajasthan

Telephone: +91 – 141 – 2203996

Fax: +91 – 141 – 2201259

E-mail ID: ipo@holaniconsultants.co.in

Investor Grievance ID:

complaints.redressal@holaniconsultants.co.in

Website: www.holaniconsultants.co.in

Contact Person: Mr. Vipin Gupta

SEBI Registration No.: INM000012467

BOI Merchant Bankers Limited

Star House 2, Plot No C – 4, “G” Block, 1st Floor,
Bandra Kurla Complex, Bandra (E), Mumbai –
400051

Telephone: +91 – 22 - 61312906

Fax: N.A.

E-mail ID: info@boimb.com

Investor Grievance ID:

compliance@boimb.com

Website: www.boimb.com

Contact Person: Mr. Sanjay M. Phadke

SEBI Registration No.: INM000012201

REGISTRAR TO THE ISSUE

Link Intime India Private Limited

C-101, 247 Park, 1st Floor, L.B.S. Marg,
Vikhroli (West), Mumbai – 400083,
Maharashtra

Tel: +91 – 22 – 49186200

Fax: +91 – 22 – 49186060

E-mail: nandan@linkintime.co.in

Investor grievance e-mail: nandan@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

BANKERS TO THE ISSUE / REFUND BANK(S) / SPONSOR BANK TO THE ISSUE

[●]**

[●]

Tel: [●]

E-mail: [●]

Website: [●]

Contact Person: [●]

*** The Banker to the Issue / Sponsor Bank/ Refund Bank shall be appointed prior to filing the Red Herring Prospectus with RoC*

DESIGNATED INTERMEDIARIES

Self – Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks and mobile applications enabled for the UPI Mechanism

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

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at [http://www.sebi.gov.in/sebiweb/other/OtherAction.do? Do Recognised=yes & in 71tm Id=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?DoRecognised=yes&intmId=35) or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers, eligible to accept ASBA forms, including details such as postal address, telephone number, and email address, is provided on the websites of BSE and NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, or such other websites as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number, and e-mail address, are provided on the websites of BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

SYNDICATE MEMBERS

[●]*
 [●]
Tel: [●]
E-mail: [●]
Website: [●]
Contact Person: [●]

**The Syndicate member shall be appointed prior to filing the Red Herring Prospectus with RoC*

STATUTORY AUDITOR AND PEER REVIEW AUDITOR OF OUR COMPANY

C. N. Somani & Associates

Chartered Accountants

91, Hirabhai Market, Diwan Ballubhai Road,
 Kankariya, Ahmedabad - 380022

Tel: +91 – 79 – 25465599

Fax: N.A.

Website: N.A.

E-mail: cnsomani52@yahoo.co.in

Contact Person: C. N. Somani

ICAI Firm Registration Number: 118147W

Membership No: 017859

Peer Review Number: 011407

M/s. C. N. Somani & Associates, Chartered Accountants holds a peer review certificate dated December 18, 2018 issued by Institute of Chartered Accountant of India.

STATEMENT OF INTER – SE ALLOCATION OF RESPONSIBILITIES AMONG BRLMS

The responsibilities and coordination by the BRLMs for various activities in the Issue are as follows:

S.No.	Activities	Responsibility	Coordinator
1.	Capital structuring, due diligence of our Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and Bid cum Application Form.	HCPL	HCPL
2.	Drafting and approval of all statutory advertisement	HCPL	HCPL
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	HCPL	HCPL
4.	Appointment of intermediaries - Registrar to the Issue, Banker(s) to the Issue, Sponsor Bank, advertising agency and printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	HCPL and BOIMB	HCPL

S.No.	Activities	Responsibility	Coordinator
5.	Institutional marketing of the Issue, which will cover, <i>inter alia</i> , marketing strategy, preparation of road show presentation and frequently asked questions, finalizing the list & division of investors for one-to-one meetings, and finalizing road show & investor meeting schedule.	HCPL and BOIMB	HCPL
6.	Conduct non-institutional marketing of the Issue, which will cover, <i>inter-alia</i> , finalising media, marketing & public relations strategy and formulating strategies for marketing to Non-Institutional Bidders	HCPL and BOIMB	HCPL
7.	Retail marketing of the Issue, which will cover, <i>inter alia</i> , finalising media, marketing & public relations strategy including list of frequently asked questions at retail road shows, finalising centres for holding conferences for brokers, etc., follow-up on distribution of publicity & Issue material including Bid cum Application Form, the Prospectus & deciding on the quantum of the Issue material and finalizing collection centres	HCPL and BOIMB	HCPL
8.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	HCPL	HCPL
9.	Managing the book and finalization of pricing in consultation with our Company	HCPL	HCPL
10.	<p>Post-Issue activities, which shall involve essential follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising Issue about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable.</p> <p>Coordinating with Stock Exchanges and SEBI for submission of all post-Issue reports including the initial and final post-Issue report to SEBI, release of 1% security deposit post closure of the Issue</p>	HCPL	HCPL

CREDIT RATING

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

GRADING TO THE ISSUE

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

DEBENTURE TRUSTEES

As this is an Issue of Equity Shares, there are no debenture trustees appointed for the Issue.

MONITORING AGENCY

Our Company has appointed [●], as the Monitoring Agency, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to filing of the Red Herring Prospectus to monitor the utilization of Net Proceeds.

[●]***

[●]

Tel: [●]

Fax: [●]

E-mail: [●]

Website: [●]

Contact Person: [●]

SEBI Registration No:

*** The Monitoring Agency shall be appointed prior to filing the Red Herring Prospectus with RoC

APPRAISING ENTITY

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity is appointed for the Issue.

FILING OF THIS DRAFT RED HERRING PROSPECTUS

A copy of this Draft Red Herring Prospectus has been filed through the SEBI Intermediary Portal at <https://sipotal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/ 011 dated January 19, 2018 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to ***“Easing of Operational Procedure –Division of Issues and Listing–CFD”***. Further, a physical copy of this Draft Red Herring Prospectus will be filed at:

Securities and Exchange Board of India

Corporation Finance Department

Division of Issues and Listing

SEBI Bhavan, Plot No. C4 A, 'G' Block,

Bandra Kurla Complex, Bandra (East),

Mumbai – 400 051, Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under section 32 of the Companies Act, 2013, will be filed with the RoC and also to SEBI through SEBI Intermediary Portal at <https://sipotal.sebi.gov.in> and email at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020. Further, a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be filed with the RoC at its office, and through the electronic portal at

<http://www.mca.gov.in/mcafoportal/loginvalidateuser.do> and also to SEBI through SEBI Intermediary Portal at <https://sipotal.sebi.gov.in> and email at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020.

BOOK BUILDING PROCESS

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

All Bidders, other than Anchor Investors, shall participate in the Issue mandatorily through the ASBA process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the SCSBs and Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Issue through the ASBA process. Retail Individual Investors may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors in the Anchor Investor Portion will be on a discretionary basis.

For further details, see the chapters titled “*Terms of the Issue*”, “*Issue Structure*” and “*Issue Procedure*” beginning on pages 403, 410 and 414 respectively of this Draft Red Herring Prospectus.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

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

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see the chapter titled “*Issue Procedure*” beginning on page 414 of this Draft Red Herring Prospectus.

UNDERWRITING AGREEMENT

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs shall be severally responsible for bringing in the amount devolved in the event the respective Syndicate Member do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ Lakh)
[●]	[●]	[●]
[●]	[●]	[●]

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

In the opinion of our Board (based on representations given by the Underwriters), the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement.

CHANGES IN STATUTORY AUDITORS

There has been no change in the statutory auditors during the three years immediately preceding the date of filing of this Draft Red Herring Prospectus.

GREEN SHOE OPTION

No green shoe option is contemplated under the Issue.

EXPERTS

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

Our Company has received written consent dated November 24, 2021 from M/s. C. N. Somani & Associates, Chartered Accountants to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their examination report, dated December 04, 2021 on our Restated Financial Statements, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and consent thereof shall not be construed to mean an “expert” or consent as defined under the U.S. Securities Act.

Our Company has also received written consent dated November 24, 2021 from M/s. C. N. Somani & Associates, Chartered Accountants to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their report dated December 07, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

In addition, our Company has received written consent dated November 23, 2021 from Mr. S. K. Patel, as chartered engineer to include his name under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 in respect of his certificate dated October 12, 2021 on the Company’s manufacturing capacity and its utilization at certain manufacturing facilities, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(₹ in Lakh except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	7,00,00,000 Equity Shares of face value of ₹ 10/- each	7000.00	[●]
	Total	7000.00	[●]
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	4,57,62,360 Equity Shares of face value of ₹ 10/- each	4576.24	[●]
	Total	4576.24	[●]
C	PRESENT ISSUE		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 10/- each, aggregating up to ₹ 25,496.17 Lakh	[●]	[●]
E	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE		
	[●] Equity Shares of face value of ₹ 10/- each	[●]	[●]
	Total	[●]	[●]
F	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		4493.77
	After the Issue		[●]

- (1) Our Board has authorised the Issue, pursuant to a resolution dated August 14, 2021 for a total Issue of ₹ 20,000 Lakh which was further enhanced to ₹ 35,000 Lakh pursuant to a resolution dated September 13, 2021. Our Shareholders have authorised the Issue, pursuant to a special resolution dated August 18, 2021 for ₹ 20,000 Lakh and revised the enhanced value to ₹ 35,000 Lakh was approved on October 11, 2021
- (2) Our Company has only one class of share capital i.e., Equity Shares of face value of ₹ 10/- each only. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in Authorized Share Capital

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

S. No.	Date of Change	AGM/ EGM	Changes in Authorised Capital
1.	On Incorporation	Not Applicable	The authorized capital of our company on incorporation comprised of ₹ 1,00,000/- consisting of 10,000 Equity Shares of ₹ 10/- each.
2.	March 26, 2015	EGM	The authorized share capital of ₹ 1,00,000/- consisting of 10,000 Equity Shares of ₹ 10/- each was increased to ₹ 5,00,00,000/- consisting of 50,00,000 Equity shares of ₹ 10/- each.
3.	August 17,	EGM	The authorized share capital of ₹ 5,00,00,000/- consisting

S. No.	Date of Change	AGM/ EGM	Changes in Authorised Capital
	2015		of 50,00,000 of ₹ 10/- each was increased to ₹ 20,00,00,000/- consisting of 2,00,00,000 Equity Shares of ₹ 10/- each.
4.	July 01, 2021	EGM	The authorized share capital of ₹ 20,00,00,000/- consisting of 2,00,00,000 of ₹ 10/- each was increased to ₹ 70,00,00,000/- consisting of 7,00,00,000 Equity Shares of ₹ 10/- each.

2. Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is set forth in the table below:

S. No.	Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
A.	January 27, 2015	10,000	10/-	10/-	Cash	Initial subscription to MOA ⁽¹⁾	10,000	1,00,000
B.	July 27, 2015	40,00,000	10/-	30/-	Cash	Preferential allotment ⁽²⁾	40,10,000	4,01,00,000
C.	October 30, 2015	50,00,000	10/-	30/-	Cash	Rights issue ⁽³⁾	90,10,000	9,01,00,000
D.	February 02, 2016	9,80,394	10/-	102/-	Cash	Preferential Allotment ⁽⁴⁾	99,90,394	9,99,03,940
E.	April 13, 2016	12,00,000	10/-	102/-	Cash	Preferential allotment ⁽⁵⁾	1,11,90,394	11,19,03,940
F.	April 29, 2016	10,00,000	10/-	102/-	Cash	Preferential allotment ⁽⁶⁾	1,21,90,394	12,19,03,940
G.	May 03, 2016	10,00,000	10/-	102/-	Cash	Preferential allotment ⁽⁷⁾	1,31,90,394	13,19,03,940
H.	May 19, 2016	6,00,000	10/-	102/-	Cash	Preferential allotment ⁽⁸⁾	1,37,90,394	13,79,03,940
I.	October 28, 2016	10,00,000	10/-	102/-	Cash	Preferential allotment ⁽⁹⁾	1,47,90,394	14,79,03,940
J.	May 02, 2017	4,63,726	10/-	102/-	Cash	Rights issue ⁽¹⁰⁾	1,52,54,120	15,25,41,200
K.	July 31, 2021	3,05,08,240	10/-	-	Other than Cash	Bonus Issue ⁽¹¹⁾	4,57,62,360	45,76,23,600

Notes:

1. Initial subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Vedprakash D Chiripal	5,000
2.	Brijmohan D Chiripal	5,000
TOTAL		10,000

2. Preferential Allotment of 40,00,000 equity shares having a face value of ₹ 10/- each at a price of ₹30/- each aggregating to 12,00,00,000/- on July 27, 2015 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Vedprakash D Chiripal	30,000
2.	Brijmohan D Chiripal	30,000
3.	Savitrivedi V Chiripal	30,000
4.	Vishal V Chiripal	30,000
5.	Vineeta V Chiripal	30,000
6.	Jyotiprasad Chiripal	30,000
7.	Urmiladevi J Chiripal	30,000
8.	Deepak J Chiripal	30,000
9.	Nitika D Chiripal	30,000
10.	Manjudevi J Chiripal	60,000
11.	Jaiprakash D Chiripal	60,000
12.	Preeti B Chiripal	30,000
13.	Ronak Brijmohan Chiripal	60,000
14.	Devkinandan Corporation LLP	17,60,000
15.	Chiripal Exim LLP	17,60,000
TOTAL		40,00,000

3. Rights issue of 50,00,000 equity shares having a face value of ₹ 10/- each at a price of ₹ 30/- each aggregating to 15,00,00,000/- on October 30, 2015 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Vedprakash Chiripal	30,000
2.	Brijmohan Chiripal	30,000
3.	Savitrivedi Chiripal	30,000
4.	Vishal Chiripal	30,000
5.	Vineeta Chiripal	30,000
6.	Jyotiprasad Chiripal	30,000
7.	Urmiladevi Chiripal	30,000
8.	Deepak Chiripal	30,000
9.	Nitika Chiripal	30,000
10.	Manjudevi Chiripal	60,000
11.	Jaiprakash Chiripal	60,000
12.	Pritidevi Chiripal	30,000
13.	Ronak Brijmohan Chiripal	60,000
14.	Devkinandan Corporation LLP	22,60,000
15.	Chiripal Exim LLP	22,60,000
TOTAL		50,00,000

4. Preferential Allotment of 9,80,394 equity shares having a face value of ₹ 10/- each at a price of ₹102/- each aggregating to ₹ 10,00,00,188/- on February 02, 2016 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Vijay Subham Contrade Private Limited	2,94,118
2.	Kautilya Traders Private Limited	2,94,118
3.	Tripoli Management Private Limited	3,92,158
TOTAL		9,80,394

5. Preferential Allotment of 12,00,000 equity shares having a face value of ₹ 10/- each at a price of ₹102/- aggregating to ₹ 12,24,00,000/- each on April 13, 2016 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Prakash Calender Private Limited	2,00,000
2.	Quality Exim Private Limited	2,00,000
3.	Shanti Export Private Limited	2,00,000
4.	Sparow Export Private Limited	2,00,000
5.	Satrama Trading LLP	2,00,000
6.	Sushila Ashok Chiripal	2,00,000
TOTAL		12,00,000

6. Preferential Allotment of 10,00,000 equity shares having a face value of ₹ 10/- each at a price of ₹ 102/- aggregating to ₹ 10,20,00,000/- on April 29, 2016 each as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Durgeshwari Pradeep Chiripal	2,00,000
2.	Bhavna Textile Private Limited	2,00,000
3.	Vrindavan Furnishing Private Limited	2,00,000
4.	Tripoli Management Private Limited	2,00,000
5.	Kautilya Traders Private Limited	2,00,000
TOTAL		10,00,000

7. Preferential Allotment of 10,00,000 equity shares having a face value of ₹ 10/- each at a price of ₹ 102/- each aggregating to ₹ 10,20,00,000/- on May 03, 2016 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Shanti Export Private Limited	2,00,000
2.	Prakash Calender Private Limited	2,00,000
3.	Rameshwar Retail Private Limited	4,00,000
4.	Sushila Ashok Chiripal	2,00,000
TOTAL		10,00,000

8. Preferential Allotment of 6,00,000 equity shares having a face value of ₹ 10/- each at a price of ₹102/- each aggregating to ₹ 6,12,00,000/- on May 19, 2016 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Shivhari Trading LLP	2,00,000
2.	Rushp Trading LLP	2,00,000
3.	Harianand Trading LLP	2,00,000
TOTAL		6,00,000

9. Preferential Allotment of 10,00,000 equity shares having a face value of ₹ 10/- each at a price of ₹ 102/- each aggregating to ₹ 10,20,00,000/- on October 28, 2016 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Chiripal Industries Limited	10,00,000
TOTAL		10,00,000

10. Rights issue of 4,63,726 equity shares having a face value of ₹ 10/- each at a price of ₹ 102/- each aggregating to ₹ 4,73,00,052/- on May 02, 2017 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Kautilya Traders Private Limited	4,63,726
TOTAL		4,63,726

11. Bonus issue of 3,05,08,240 equity shares of face value of ₹ 10/- each on July 31, 2021 as per the details given below:

S. No.	Name of Allottees	Number of Equity Shares
1.	Vedprakash Chiripal	1,30,000
2.	Brijmohan Chiripal	1,30,000
3.	Devkinandan Corporation LLP	80,40,000
4.	Chiripal Exim LLP	80,40,000
5.	Savitridevi Chiripal	2,40,000
6.	Vineeta Chiripal	1,20,000
7.	Jyotiprasad Chiripal	26,80,000
8.	Jaiprakash Chiripal	26,80,000
9.	Pritidevi Chiripal	1,20,000
10.	Ronak Brijmohan Chiripal	22,40,000
11.	Manuj Chiripal	11,84,316
12.	Vansh Chiripal	24,00,000
13.	Sunil Agarwal	4,03,924
14.	Yash Agarwal	2,00,000
15.	Hardik Agarwal	2,00,000
16.	Man Mohan Agarwal	6,00,000
17.	Bharat Bhushan Agarwal	5,50,000
18.	Rikin Agarwal	5,50,000
TOTAL		3,05,08,240

3. Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation reserves

- a) Our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

- b) Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue, as on the date of this Draft Red Herring Prospectus:

Date of Allotment	Name of Allottees	Number of Equity Shares	Face Value per Equity Share	Issue Price per Equity Shares	Reason of allotment	Benefit accrued to our Company
July 31, 2021	Vedprakash Chiripal	1,30,000	10/-	-	Bonus Issue in the ratio of 2:1	Capitalization of Reserves & Surplus
	Brijmohan Chiripal	1,30,000				
	Devkinandan Corporation LLP	80,40,000				
	Chiripal Exim LLP	80,40,000				
	Savitrivedi Chiripal	2,40,000				
	Vineeta Chiripal	1,20,000				
	Jyotiprasad Chiripal	26,80,000				
	Jaiprakash Chiripal	26,80,000				
	Pritidevi Chiripal	1,20,000				
	Ronak Brijmohan Chiripal	22,40,000				
	Manuj Chiripal	11,84,316				
	Vansh Chiripal	24,00,000				
	Sunil Agarwal	4,03,924				
	Yash Agarwal	2,00,000				
	Hardik Agarwal	2,00,000				
	Man Mohan Agarwal	6,00,000				
	Bharat Bhushan Agarwal	5,50,000				
Rikin Agarwal	5,50,000					

4. Issue of Equity Shares pursuant to schemes of arrangement

As on the date of filing the Draft Red Herring Prospectus, our Company has not allotted any Equity Shares in terms of any scheme of arrangement approved under sections 391- 394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013.

5. Employee Stock Option Scheme

Our company doesn't have any Employee stock option scheme ("ESOP")/ Employee Stock purchase scheme ("ESPS") for our employees and we do not intent to allot any shares to our employees under ESOP and ESPs from the proposed issue. As and when options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

6. Issue of Equity Shares at a price lower than the Issue Price in the last year

As on the date of filing the Draft Red Herring Prospectus, our Company has not issued any Equity Shares at a price that may be lower than the Issue Price during the last one year.



7. Shareholding pattern of our Company

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

i. Summary of Shareholding Pattern as on date of this Draft Red Herring Prospectus:

I	Category of Shareholder	No. 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 dematerialised form
								No of voting rights					No. (a)	As a % Of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class - Equity	Total	Total as a % of (A+B+C)							
II	III	IV	V	VI	VII = (V + VI)	VIII	IX			X	XI = VII+X	XII		XIII		XIV	
(A)	Promoters and Promoter Group	9	3,64,49,997	-	-	3,64,49,997	79.65	3,64,49,997	-	79.65	-	79.65	[●]	[●]	-	-	3,64,49,997
(B)	Public	12	93,12,363	-	-	93,12,363	20.35	93,12,363	-	20.35	-	20.35	[●]	[●]	-	-	93,12,363
(C)	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	21	4,57,62,360	-	-	4,57,62,360	100	4,57,62,360	-	100	-	100	-	-	-	-	4,57,62,360

*As on the date of this Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.

8. Details of Equity Shareholding of the major Shareholders

- (a) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share capital (%) on a fully diluted basis*
1.	Devkinandan Corporation LLP	1,20,60,000	26.35
2.	Chiripal Exim LLP	1,20,60,000	26.35
3.	Jyotiprasad Chiripal	40,20,000	8.78
4.	Jaiprakash Chiripal	40,20,000	8.78
5.	Ronak Brijmohan Chiripal	33,59,997	7.34
6.	Manuj Chiripal	17,76,474	3.88
7.	Vansh Chiripal	36,00,000	7.87
8.	Sunil R. Agarwal	6,05,886	1.32
9.	Manmohan Shivkumar Agarwal	9,00,000	1.97
10.	Bharatbhushan Omprakash Agarwal	8,25,000	1.80
11.	Rikin Bharatbhushan Agarwal	8,25,000	1.80
TOTAL		4,40,52,357	96.26

*Percentage is calculated on the basis of pre-issue equity share capital on a fully diluted basis.

- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of two years prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share capital (%) on a fully diluted basis*
1.	Devkinandan Corporation LLP	40,20,000	26.35
2.	Chiripal Exim LLP	40,20,000	26.35
3.	Vijay Subham Contrade Private Limited	2,94,118	1.93
4.	Kautilya Traders Private Limited	9,57,844	6.28
5.	Manuj Chiripal	5,92,158	3.88
6.	Bhavana Textiles Private Limited	2,00,000	1.31
7.	Durgeshwari Chiripal	2,00,000	1.31
8.	Harianand Trading LLP	2,00,000	1.31
9.	Prakash Calender Private Limited	4,00,000	2.62
10.	Quality Exim Private Limited	2,00,000	1.31
11.	Rameswar Retailers Private Limited	4,00,000	2.62
12.	Monil Chiripal	2,00,000	1.31
13.	Satrama Trading LLP	2,00,000	1.31
14.	Shanti Exports Private Limited	4,00,000	2.62
15.	Hari Anand Agarwal	2,00,000	1.31
16.	Sparow Exports Private Limited	2,00,000	1.31
17.	Sushila Chiripal	4,00,000	2.62
18.	Vrindavan Furnishings Private Limited	2,00,000	1.31
19.	Chiripal Industries Limited	10,00,000	6.56
TOTAL		1,42,84,120	93.63

*Percentage is calculated on the basis of pre-issue equity share capital on a fully diluted basis.

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of the date one year prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share capital (%) on a fully diluted basis*
1.	Devkinandan Corporation LLP	40,20,000	26.35
2.	Chiripal Exim LLP	40,20,000	26.35
3.	Vijay Subham Contrade Private Limited	2,94,118	1.93
4.	Kautilya Traders Private Limited	9,57,844	6.28
5.	Manuj Chiripal	5,92,158	3.88
6.	Bhavana Textiles Private Limited	2,00,000	1.31
7.	Harianand Trading LLP	2,00,000	1.31
8.	Prakash Calender Private Limited	4,00,000	2.62
9.	Quality Exim Private Limited	2,00,000	1.31
10.	Rameswar Retailers Private Limited	4,00,000	2.62
11.	Satrama Trading LLP	2,00,000	1.31
12.	Shanti Exports Private Limited	4,00,000	2.62
13.	Sparow Exports Private Limited	2,00,000	1.31
14.	Vrindavan Furnishings Private Limited	2,00,000	1.31
15.	Chiripal Industries Limited	10,00,000	6.56
16.	Ruchi Chiripal	10,00,000	6.56
TOTAL		1,42,84,120	93.63

*Percentage is calculated on the basis of pre-issue equity share capital on a fully diluted basis.

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of the date ten days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share capital (%) on a fully diluted basis*
1.	Devkinandan Corporation LLP	1,20,60,000	26.35
2.	Chiripal Exim LLP	1,20,60,000	26.35
3.	Jyotiprasad Chiripal	40,20,000	8.78
4.	Jaiprakash Chiripal	40,20,000	8.78
5.	Ronak Brijmohan Chiripal	33,60,000	7.34
6.	Manuj Chiripal	17,76,474	3.88
7.	Vansh Chiripal	36,00,000	7.87
8.	Sunil R. Agarwal	6,05,886	1.32
9.	Manmohan Shivkumar Agarwal	9,00,000	1.97
10.	Bharatbhusan Omprakash Agarwal	8,25,000	1.80
11.	Rikin Bharatbhusan Agarwal	8,25,000	1.80
TOTAL		4,40,52,360	96.26

*Percentage is calculated on the basis of pre-issue equity share capital on a fully diluted basis.

9. Intention or proposal to alter capital structure

Except for any Equity Shares resulting out of the allotment of Equity Shares pursuant to the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of bonus issue of Equity Shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

10. Build-up of Promoter's shareholding, Minimum Promoters' Contribution and lock-in

As on the date of this Draft Red Herring Prospectus, our promoters, **Vedprakash Chiripal, Brijmohan D Chiripal, Chiripal Exim LLP and Devkinandan Corporation LLP** hold **1,95,000** Equity Shares, **1,95,000** Equity Shares, **1,20,60,000** Equity Shares and **1,20,60,000** Equity Shares, respectively, equivalent to **0.43%**, **0.43%**, **26.35%** and **26.35%**, respectively, of the Equity Share capital of our Company on a fully diluted basis. For further details, see the chapter titled "**Our Promoters and Promoter Group**" beginning on page 233 of this Draft Red Herring Prospectus. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment / acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

a) Build-up of the Equity Shareholding of our Promoters in our Company

- 1) The details regarding the build-up of the Equity Shares held by Vedprakash Chiripal in our Company since incorporation is set forth in the table below:

Date of transfer / allotment of Equity Shares	Number of Equity shares allotted / transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/ issue price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
January 27, 2015	5,000	Initial subscription to MOA	Cash	10/-	10/-		
July 27, 2015	30,000	Preferential allotment	Cash	10/-	30/-		
October 30, 2015	30,000	Rights Issue	Cash	10/-	30/-		
July 31, 2021	1,30,000	Bonus Issue	Other than cash	10/-	-		
TOTAL	1,95,000					0.43%	[●]

- 2) The details regarding the build-up of the Equity Shares held by Brijmohan D Chiripal in our Company since incorporation is set forth in the table below:

Date of transfer / allotment of Equity Shares	Number of Equity shares allotted / transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price / issue price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
January 27, 2015	5,000	Initial subscription to MOA	Cash	10/-	10/-		
July 27, 2015	30,000	Preferential allotment	Cash	10/-	30/-		
October 30, 2015	30,000	Rights Issue	Cash	10/-	30/-		
July 31, 2021	1,30,000	Bonus Issue	Other than cash	10/-	-		
TOTAL	1,95,000					0.43%	[•]

- 3) The details regarding the build-up of the Equity Shares held by Chiripal Exim LLP in our Company since incorporation is set forth in the table below:

Date of transfer / allotment of Equity Shares	Number of Equity shares allotted / transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price / issue price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
July 27, 2015	17,60,000	Preferential allotment	Cash	10/-	30/-		
October 30, 2015	22,60,000	Rights Issue	Cash	10/-	30/-		
July 31, 2021	80,40,000	Bonus Issue	Other than cash	10/-	-		
TOTAL	1,20,60,000					26.35%	[•]

- 4) The details regarding the build-up of the Equity Shares held by Devkinandan Corporation LLP in our Company since incorporation is set forth in the table below:

Date of transfer/allotment of Equity Shares	Number of Equity shares allotted / transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price / issue price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
July 27, 2015	17,60,000	Preferential allotment	Cash	10/-	30/-		
October 30, 2015	22,60,000	Rights Issue	Cash	10/-	30/-		
July 31, 2021	80,40,000	Bonus Issue	Other than cash	10/-	-		
TOTAL	1,20,60,000					26.35%	[●]

b) Equity shareholding of our Promoters and Promoter Group

Set forth below is the equity shareholding of our Promoters and Promoter Group in our Company as on the date of this Draft Red Herring Prospectus, on a fully diluted basis:

Sr. No.	Name of shareholder	Pre-Issue		Post-Issue	
		Number of Equity Shares	Percentage of Equity Share capital (%) on a fully diluted basis**	Number of Equity Shares	Percentage of Equity Share capital (%)
(A) Promoters					
1.	Vedprakash Chiripal	1,95,000	0.43	1,95,000	[●]
2.	Brijmohan D Chiripal	1,95,000	0.43	1,95,000	[●]
3.	Chiripal Exim LLP	1,20,60,000	26.35	1,20,60,000	[●]
4.	Devkinandan Corporation LLP	1,20,60,000	26.35	1,20,60,000	[●]
Total (A)		2,45,10,000	53.56	2,45,10,000	[●]
(B) Promoter Group					
1.	Savitridevi V Chiripal	3,60,000	0.80	3,60,000	[●]
2.	Jyotiprasad Chiripal	40,20,000	8.78	40,20,000	[●]
3.	Jaiprakash Chiripal	40,20,000	8.78	40,20,000	[●]
4.	Pritidevi Chiripal	1,80,000	0.39	1,80,000	[●]
5.	Ronak Brijmohan Chiripal	33,59,997	7.34	33,59,997	[●]
Total (B)		1,19,39,997	26.09	1,19,39,997	[●]
TOTAL(A+B)		3,64,49,997	79.65	3,64,49,997	[●]

c) Details of Promoter’s contribution and lock-in

- 1) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post- Issue paid-up Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoter’s contribution and locked-in for a period of eighteen months from the date of allotment in the initial public offer (“**Minimum Promoters’ Contribution**”) and our Promoters’ shareholding in excess of 20% shall be locked in for a period of six months from the date of allotment in the initial public offer. The Equity Shares forming a part of the minimum promoters’ contribution are eligible in terms of Regulation 15 of the SEBI ICDR Regulations.
- 2) Our Promoters have consented to the inclusion of such number of Equity Shares held by them, as may constitute [●]% of the fully diluted post-Issue equity share capital of our Company as minimum promoters’ contribution and have agreed not to sell, dispose, transfer, charge, pledge or otherwise encumber in any manner the minimum promoters’ contribution from the date of filing of this Draft Red Herring Prospectus until the expiry of the lock- in period specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- 3) The details of the Equity Shares held by our Promoters, which shall be locked-in as Minimum Promoters Contribution for a period of eighteen months from the date of Allotment are set out in the following table:

Name of the Promoter	No. of Equity Shares held pre-Issue	No. of Equity Shares to be locked-in [#]	Date of allotment of Equity Shares**	Date up to which the Equity Shares are subject to lock – in	Acquisition price per Equity Share	Nature of transaction	Face value of Equity Share (₹)	% Of the fully diluted post- Issue Equity Share capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the time of filling the Prospectus.

For a period of eighteen months from the date of Allotment in the Initial Public Offer.

*** All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.*

- 4) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Minimum Promoters’ Contribution in terms of Regulation 15 of the SEBI ICDR Regulations.
- 5) All the Equity Shares held by our Promoters were fully paid-upon the respective date of acquisition of such Equity Shares.
- 6) The Minimum Promoters’ Contribution has been brought to the extent of not less than the specified minimum lot and from the persons identified as ‘Promoter’ under the SEBI ICDR Regulations.

- 7) In this connection, please note that:
- (i) The Equity Shares offered for Minimum Promoters' Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, or (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoters' contribution;
 - (ii) The Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
 - (iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm; and
 - (iv) The Equity Shares forming part of the Minimum Promoters' Contribution are not subject to any pledge.
- d) Other lock-in requirements:**
- 1) In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by the Promoters locked in for eighteen months from the date of allotment in the Initial public offer as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Initial public offer except for (i) the Minimum Promoters' Contribution which shall be locked for a period of eighteen months as detailed above.
 - 2) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
 - 3) As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.
 - 4) Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter which are locked-in for a period of six months from the date of Allotment in the initial public offer, may be pledged only with scheduled commercial banks or public financial institutions or NBFC-SI or a deposit accepting housing finance company as collateral security for loans granted by such banks or public financial institutions, provided that with respect to the Equity Shares locked-in for six months from the date of Allotment, the pledge of such Equity Shares is one of the terms of the sanction of such loans. Equity Shares locked-in as Minimum Promoters' Contribution for eighteen months from the date of allotment in the initial public offer, can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by scheduled commercial banks or public financial institutions or NBFC-SI or a deposit accepting housing finance company for the purpose of financing one or more objects of the Issue.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

- 5) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter may be transferred to a member of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.
- 6) Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuance of the lock-in at the hands of the transferee and compliance with the provisions of the Takeover Regulations.
11. As on the date of this Draft Red Herring Prospectus, our Company has **twenty-one (21)** Shareholders.
12. Except as disclosed in this section, none of the members of our Promoter Group, our Promoters, our Directors, or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
13. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors, and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity, during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
14. Our Company, our Promoters, our directors and/or the BRLMs have not entered into any buy-back arrangements and/or any other similar arrangements for purchase of the Equity Shares.
15. All Equity Shares issued, transferred or allotted pursuant to the Issue will be fully paid up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
16. The BRLMs and their respective associates (determined as per the definition of 'associate company' under the Companies Act, 2013 and as defined under the SEBI (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of the Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
17. As on the date of this Draft Red Herring Prospectus, except for Vedprakash Chiripal, Brijmohan D Chiripal, Ronak Brijmohan Chiripal, none of our other Directors or Key Management Personnel hold any Equity Shares of our Company.

- 18.** Except for the Equity Shares allotted pursuant to the Issue and the Pre-IPO Placement, our Company shall not make any further issue of Equity Shares and/or any securities convertible into or exchangeable for Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner, during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares being offered under the Issue, have been listed on the Stock Exchanges pursuant to the Issue or all application monies have been refunded, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.
- 19.** There are no outstanding warrants, options or rights to convert debentures, loans or other convertible securities or any other right granted by the Company which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.
- 20.** Our Company shall ensure that any transaction in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.
- 21.** No person connected with the Issue, including but not limited to, the BRLMs, Syndicate members, our Company, our Subsidiary, our Directors, our Promoters or the members of the Promoter Group and our Group Company, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Issue, except for fees or commission for services rendered in relation to the Issue.

OBJECTS OF THE ISSUE

The Issue comprises of fresh Issue of upto [●] Equity Shares of our Company at an Issue Price of ₹ [●]/- per Equity Share, aggregating upto ₹ **25,496.17 Lakh** by our Company. The proceeds from the Issue after deducting Issue related expenses are estimated to be ₹ [●] Lakh (the “**Net proceeds**”).

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

- Part repayment / pre-payment of certain secured loans availed from lenders;
- Funding the working capital requirements of our Company; and
- General corporate purposes.

(Hereinafter collectively referred to as the “**Objects**”)

Also, we believe that the listing of our Company’s Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India. 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 the Memorandum of Association of our Company and the objects incidental and ancillary to the main objects enables us to undertake the activities for which the funds are being raised through the present Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

ISSUE PROCEEDS

The details of the Issue Proceeds are summarized below:

(₹ in Lakh)

S. No	Purpose	Estimated Amount
1	Gross Proceeds from the Issue ⁽¹⁾⁽²⁾	Upto 25,496.17
2	Less: Issue related expenses	[●]
	Net Proceeds of the Issue to the Company	[●]

(1) To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

(2) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●] % of the post-issue paid up Equity Share capital of our Company. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

UTILIZATION OF NET PROCEEDS

We intent to utilize the Net Proceeds in the manner set out in the following table:

(₹ in Lakh)

S.No.	Purpose	Estimated Amount*	Percentage of Gross Receipts	Percentage of Net Receipts
1	Part repayment / pre-payment of certain secured loans availed from lenders	3,560.00	[●]	[●]
2	Funding the working capital requirement of our Company	[●]	[●]	[●]
2	General corporate purposes*	[●]	[●]	[●]

*To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring Prospectus, our Company had not deployed any funds towards the Objects of the Issue.

(₹ in Lakh)

S.No.	Purpose	Amount to be funded from the Net Proceeds	Estimated Utilization of Net Proceeds (F.Y. 2021-22)	Estimated Utilization of Net Proceeds (F.Y. 2022-23)
1	Part repayment / pre-payment of certain secured loans availed from lenders	3,560.00	3,560.00	-
2	Funding the working Capital Requirement of our Company	[●]	[●]	[●]
3	General corporate purposes	[●]	[●]	[●]
	Total Net Proceeds	[●]	[●]	[●]

The requirement and deployment of funds as indicated above are based on our internal management estimates, prevailing market conditions and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, change in cost, financial and market conditions, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. This may entail rescheduling and revising the funding requirement for a particular Object or increasing or decreasing the amounts earmarked towards any of the Objects at the discretion of our management, subject to compliance with applicable law. For details, see the section titled “**Risk Factors**” beginning on page 38 of this Draft Red Herring Prospectus.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during FY 2021-22 to FY 2022-23. If the Net Proceeds are not utilized (in full or in part) for the Objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

In case of any surplus after utilization of the Net Proceeds towards the aforementioned Objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law. Further, in case of any variations in the actual utilisation of funds earmarked towards the Objects set forth above, then any increased fund requirements for a particular Object may be financed by surplus funds (subject to utilisation towards general corporate purposes does not exceed 25% of the Gross Proceeds from the Issue), if any, available in respect of the other Objects for which funds are being raised in this Issue. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned Objects, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

DETAILS OF THE OBJECTS OF THE ISSUE

The details of the Issue are set out below:

1. Part repayment / pre-payment of certain secured loans availed from lenders

Our Company has entered into borrowing arrangements with banks and financial institutions including borrowings in the form of terms loans and fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, see chapter titled “*Financial Indebtedness*” beginning on page 364 of this Draft Red Herring Prospectus.

Our Company intends to utilize ₹ 3,560.00 Lakh of the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount on certain loans availed by our Company and the accrued interest thereon. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. Also, our Company may avail additional loan facilities or draw down on in its working capital facilities from time to time to meet its business requirements. Accordingly, our Company may utilise the Net Proceeds for repayment / prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon), any additional facilities obtained by our Company or working capital borrowings outstanding at the time utilizing the Net Proceeds.

However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed ₹ 3,560.00 Lakh. We believe that such repayment or prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

(₹ in Lakh)

S. No.	Name of the Lender	Date of Sanction	Nature of Loan**	Sanctioned amount	O/s Amount as on September 30, 2021*	Rate of Interest	Repayment Schedule	Purpose for which loan was sanctioned
1.	Punjab National Bank	April 16, 2020	Term Loan Facility	1,643.00	1,100.00	12.10%	Quarterly Instalments	Capital Expenditure
2.	Punjab National Bank (Earlier United Bank of India)	June 03, 2017	Term Loan Facility	812.00	534.00	10.35%	Quarterly Instalments	Capital Expenditure – Setting up Dholi manufacturing unit.
3.	Canara Bank (Earlier Syndicate Bank)	January 05, 2016	Term Loan Facility	1,296.00	751.00	12.10%	Quarterly Instalments	Capital Expenditure
4.	State Bank of India	November 04, 2015	Term Loan Facility	864.00	540.00	12.60%	Quarterly Instalments	Capital Expenditure
5.	Central Bank of India	December 07, 2015	Term Loan Facility	864.00	495.00	12.15%	Quarterly Instalments	Capital Expenditure
6.	Bank of Baroda (Earlier Vijaya Bank)	March 14, 2016	Term Loan Facility	1,000.00	588.00	10.60%	Quarterly Instalments	Capital Expenditure

* In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the amount outstanding as on September 30, 2021 has been certified by our Statutory Auditor M/s C. N. Somani & Associates, Chartered Accountants by way of their certificate dated December 07, 2021. Further, our Statutory Auditor has confirmed that the above borrowings have been utilized for the purposes for which such borrowings were availed.

**The term loans proposed to repaid from the IPO proceeds are a part of loan financed towards Non-TUF Scheme (Technology Upgradation Fund Scheme).

2. Funding the working capital requirement of our Company

We have significant working capital requirements and we fund our working capital requirements in the ordinary course of business from our internal accruals and financing facilities from various banks & financial institutions.

Our Company requires additional working capital for funding future growth requirements of our Company and for other strategic, business and corporate purposes. The funding of the working capital requirements of our Company is expected to lead to an increase in our profitability.

Basis of estimation of working capital requirement

The details of our Company's working capital as at March 31, 2020 and March 31, 2021 and source of funding of the same are provided in the table below:

(₹ in Lakh)

S.No.	Particulars	FY 2019-20 (Restated)	FY 2020-21 (Restated)
(A)	Current Assets:		
	Inventories:		
	- Raw Material	1,885.03	2,851.87
	- Work in progress	2,835.24	3,355.58
	- Finished goods	1,288.13	785.27
	- Other Consumable & Spares	287.60	347.69
	Trade Receivables		
	- Domestic	4,863.94	2,449.17
	- Export	3,713.32	7,736.46
	Short Term Loans & Advances and Other Current Assets	4,403.98	5,030.08
	Cash & Cash Equivalents	397.95	2,076.26
	Total (A)	19,675.19	24,632.38
(B)	Current Liabilities:		
	Trade payables	4,540.05	3,270.83
	Other Current Liabilities & Provisions	2,670.27	4,866.22
	Total (B)	7,210.32	8,137.05
(C)	Total Working Capital (A) - (B)	12,464.87	16,495.33
(D)	Source of Finance		
	Short Term Borrowings from Bank	7,725.28	5,151.98
	Networth	4,739.59	11,343.35
	Total Source of Finance	12,464.87	16,495.33

Total working capital as certified by our Statutory Auditor pursuant to their certificate dated December 07, 2021.

For details with respect to working capital funding availed by our Company as of September 30, 2021 from banks, see the chapter titled "**Financial Indebtedness**" beginning on page 364 of this Draft Red Herring Prospectus.

The details of our Company's projected working capital requirements for the FY 2021-22 and FY 2022-23 and funding of the same are as provided in the table below:

(₹ in Lakh)

S.No.	Particulars	FY 2021-22 (Estimated)	FY 2022-23 (Estimated)
(A)	Current Assets:		
	Inventories:		
	- Raw Material	5,745.00	7,065.00
	- Work in progress	6,450.00	8,000.00
	- Finished goods	1,350.00	1,700.00
	- Other Consumable & Spares	358.00	434.00
	Trade Receivables		
	- Domestic	7,857.75	8,362.00
	- Export	9,141.00	13,763.00
	Short Term Loans & Advances and Other Current Assets	7,455.00	7,266.00
	Cash & Cash Equivalents	4,374.81	2,757.72
	Total (A)	42,731.56	49,347.72
(B)	Current Liabilities:		
	Trade payables	3,850.00	4,725.00
	Other Current Liabilities & Provisions	5,763.22	6,848.72
	Total (B)	9,613.22	11,573.72
(C)	Total Working Capital (A) - (B)	33,118.34	37,774.00
(D)	Source of Finance		
	Short Term Borrowings from Bank	7,000.00	7,000.00
	Internal Accruals / Reserves	[●]	[●]
	Proceeds from IPO	[●]	[●]
	Total Source of Finance	[●]	[●]
(E)	Amount proposed to be utilized from Net Proceeds	[●]	[●]

* Total working capital as certified by our Statutory Auditor pursuant to their certificate dated December 07, 2021.

Assumptions of Working Capital requirement

Holding levels and justifications for holding period levels on the basis of Restated Financial Statements.

(Holding Period in Months)

Particulars	FY 2019-20 (Restated)	FY 2020-21 (Restated)	FY 2021-22 (Estimated)	FY 2022-23 (Estimated)
Inventories: -				
- Raw Material	0.99	1.07	1.00	1.00
- Work in progress	1.07	0.97	0.95	0.95
- Finished goods	0.47	0.22	0.20	0.20
- Other Consumable & Spares	1.66	1.78	1.75	1.75

Trade Receivables				
- Domestic	2.77	1.05	1.50	1.50
- Export	2.04	3.60	3.00	3.00
Trade payables	2.19	1.14	0.65	0.65

Justifications for holding period level mentioned in the table above are provided below:

Particulars	Justification for Holding Levels
Inventories:	<p>Raw material: Our Company procures raw materials which is essential for manufacturing the products. Our Company maintained an inventory of raw material required for 0.99 month and 1.07 months in FY 2019-20 and FY 2020-21, respectively. Such inventory is essential for our Company to ensure uninterrupted production. Accordingly, our Company has assumed raw material inventory of 1 month each of its cost of raw material consumed for FY 2021-22 and 2022-23.</p> <p>Work in Progress: Historically, work in progress inventory has been 1.07 months and 0.97 month of cost of production for FY 2019-20 and FY 2020-21, respectively. Accordingly, our Company has assumed work in progress inventory of 0.95 month each of cost of production for FY 2021-22 and 2022-23.</p> <p>Finished Goods: Historically, in order to ensure timely availability of products to our customers, our Company has maintained finished goods inventory of 0.47 and 0.22 month in FY 2019-20 and FY 2020-21 respectively. Accordingly, our Company has assumed finished goods inventory of 0.20 month each of cost of sales for FY 2021-22 and 2022-23 as we intend to focus on rationalizing our inventory management to meet our future requirement while not carrying undue levels of inventory.</p> <p>Other Consumable & Spares: We have assumed other consumables and spares inventory of 1.75 months each of the cost of spares material consumed for FY 2021-22 and 2022-23 which is on the same levels as in FY 2019-20 and FY 2020-21 i.e., 1.66 and 1.78 months respectively.</p>
Trade Receivables (Domestic & Export)	The credit term offered to domestic customers of our Company is 2.77 months and 1.05 months and that offered for export customers is 2.04 months and 3.60 months for FY 2019-20 and FY 2020-21. This credit term varies across type of customers. Accordingly, our Company has assumed trade receivables of 1.50 months each for domestic customers and 3 months for export customers, of revenue from operations for FY 2021-22 and 2022-23.
Trade Payables	Company's trade payables predominantly comprise of payables towards purchase of raw materials, stores and consumables and

Particulars	Justification for Holding Levels
	finished and work in process materials. The trade payable days were 2.19 months and 1.14 months of purchases for FY 2019-20 and FY 2020-21, respectively. Our Company has assumed trade payables to be 0.65 month each in FY 2021-22 and 2022-23, respectively. This is expected to enable our Company to get better terms from our vendors.

3. General corporate purposes

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 issue proceeds aggregating ₹ [●] Lakh 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 the following:

- a) Meeting operating expenses;
- b) Strengthening of our business development and marketing capabilities;
- c) Strategic initiatives; and
- d) On – going general corporate 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.

We confirm that any issue related expenses shall not be considered as a part of general corporate purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the amount being raised by our Company through this Issue, in compliance with SEBI ICDR Regulations.

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

MEANS OF FINANCE

The fund requirement set out for the abovementioned Objects will be met through the Net Proceeds to the extent of ₹ [●] Lakh and balance through internal accruals and bank borrowings. Accordingly, we confirm that there are no requirements under Regulation 7(1)(e) of the SEBI ICDR Regulations, 2018 and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means towards seventy-five of the stated means of finance for the expansion project, excluding the Issue Proceeds and existing identifiable internal accruals).

INTERIM USE OF FUNDS

Pending utilization of the proceeds of the Issue for the purposes described above, our Company will temporarily invest the Net Issue Proceeds in deposits with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

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

BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds.

ISSUE RELATED EXPENSES

The expenses for this Issue include, among others, listing fees, fees payable to the BRLMs, legal counsel, Registrar to the Issue, Banker to the Issue, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses. The total expenses for this Issue are estimated to be approximately ₹ [●] Lakh and the breakup of the same are as follows.

(₹ in Lakh)

Particulars	Expenses ^{#1}	As % of total expenses	As % of Gross Issue size
Fees payable to the Book Running Lead Managers (including Underwriting commission)	[●]	[●]	[●]
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Legal Advisors	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the to the regulators including Stock Exchanges	[●]	[●]	[●]
Brokerage and selling commission payable to Syndicate ²	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers ³	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Forms procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs ¹	[●]	[●]	[●]
Printing and distribution of Issue stationary	[●]	[●]	[●]
Others (Bankers to the Issue, auditor's fees etc.) ⁴	[●]	[●]	[●]
Total estimated Issue Expenses	[●]	[●]	[●]

The company has incurred ₹ 84.84 Lakh towards issue expenses as certified by our Statutory Auditor pursuant to their certificate dated December 07, 2021.

[#]Exclusive of applicable taxes. Issue expenses are estimates and are subject to change.

Will be incorporated at the time of filing of the Prospectus on determination of Issue Price.

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

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

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

No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

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.

Processing fees payable to the SCSBs of ₹ [●]/- per valid application (plus applicable taxes) for processing the Bid cum Application Form of Retail Individual Bidders and Non-Institutional Bidders procured by the Syndicate Member/ sub-Syndicate Members/ Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking. In case the total ASBA processing charges payable to SCSBs exceeds ₹ [●] Lakh, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ [●] Lakh.

(2) For Syndicate (including their sub-Syndicate Members), RTAs and CDPs

Brokerages, selling commission and processing/uploading charges on the portion for Retail Individual Bidders (using the UPI mechanism) and portion for Non-Institutional Bidders which are procured by members of Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:

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

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

The selling commission payable to the Syndicate/ sub-Syndicate Members will be determined on the basis of the 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 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.

The payment of selling commission payable to the sub-brokers/ agents of sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.

The selling commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

Uploading charges/ processing charges of ₹ 10/- valid application (plus applicable taxes) is applicable only in case of Bid uploaded by the members of the Syndicate, RTAs and CDPs: for applications made by Retail Individual Investors using the UPI Mechanism. In case the total processing charges payable under this head exceeds ₹ [●] Lakh, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ [●] Lakh.)

Uploading charges/processing charges of ₹ [●]/- valid applications (plus applicable taxes) are applicable only in case of Bid uploaded by the members of the Syndicate, RTAs and CDPs: (a) for applications made by Retail Individual Bidders using 3-in-1 type accounts; and (b) for Non-Institutional Bids using Syndicate ASBA mechanism / using 3-in-1 type accounts. (In case the total processing charges payable under this head exceeds ₹ [●] Lakh, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ [●] Lakh.)

The Bidding/uploading charges payable to the Syndicate/ sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

(3) For Registered Brokers:

Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders and Non- Institutional Bidders which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows:

Portion for Retail Individual Bidders and Non – Institutional Bidders	₹ [●]/- per valid application* (plus applicable taxes)
---	--

*Based on valid applications.

(4) For Sponsor Bank:

Processing fees for applications made by Retail Individual Bidders using the UPI mechanism will be ₹ [●]/- per valid Bid cum Application Form (plus applicable taxes), subject to maximum processing fee not exceeding ₹ [●] Lakh. 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*

The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

MONITORING OF UTILIZATION OF FUNDS

[●] shall be appointed as the Monitoring Agency for monitoring the utilisation of Net Proceeds prior to the filing of the Red Herring Prospectus, as our Issue size exceeds ₹ 10,000 Lakh, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently un-utilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the Objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

VARIATIONS IN OBJECT

In accordance with Sections 13(8) and 27 of the Companies Act, our Company shall not vary the objects of the Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with the applicable laws including the Companies Act and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. Pursuant to Sections 13(8) and 27 of the Companies Act, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act and the SEBI ICDR Regulations.

APPRAISAL BY APPRAISING AGENCY

None of the Objects have been appraised by any bank or financial institution or any other independent third – party organizations.

OTHER CONFIRMATIONS

No part of the Net Proceeds will be paid by us to the Promoters and Promoter Group, the Directors, Key Management Personnel or Group Companies, except in the normal course of business and in compliance with the applicable law. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Managerial Personnel, our Group Company or our joint venture in relation to the utilization of the Net Proceeds of the Issue.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares issued in the Issue through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to chapters titled “*Our Business*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and section titled “*Risk Factors*” beginning on pages 155, 250, 321 and 38 respectively of this Draft Red Herring Prospectus to have an informed view before making an investment decision.

QUALITATIVE FACTORS

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

- (a) Strong Technological Capabilities with vertically integration;
- (b) Strategic location of existing Manufacturing Facilities;
- (c) Strong sales and marketing capabilities; and
- (d) Experienced and Dedicated Management Team;

For further details, see “*Our Business – Our Strengths*” at page 157 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Some of the information presented in this section relating to our Company is derived from the Restated Financial Information. For details, see the chapter titled “*Restated Financial Statements*” beginning on page 250 of this Draft Red Herring Prospectus.

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

I. Basic and diluted earnings per share (“EPS”) as per the Restated Financial Information.

Financial Year Ended	Basic and Diluted EPS (in ₹) ⁽¹⁾	Weight
March 31, 2021	5.11	3
March 31, 2020	0.27	2
March 31, 2019	(0.11)	1
Weighted Average EPS		2.63
Six Months period ended September 30, 2021*		6.69

* **Not Annualised**

Notes:

Basic EPS (₹) = Basic earnings per share calculated by dividing the Restated Profit/(loss) for the year/period attributable to the owners of the Company by the weighted average number of equity Shares outstanding during the year/period.

Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the Restated Profit/(loss) for the year/period attributable to the owners of the Company by the weighted average number of equity Shares outstanding during the year/period as adjusted for the effects of all dilutive potential Equity Shares

outstanding during the year/period.

Notes:

- (1) The Board of Directors has approved the issue of bonus equity shares in the meeting held on July 31, 2021, in the ratio of 2:1 out of the eligible reserves of our Company. Accordingly, in accordance with IND AS 33 "Earnings per share" and read with Ind AS 10 "Events after Reporting Period", the earnings per share for the Six months period ended September 30, 2021 as well as for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 has been arrived at after giving effect to the above bonus issue.
- (2) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
- (3) The figures disclosed above are based on the Restated Financial Statements of our Company.
- (4) Earnings per Share (₹) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/weighted average number of equity shares.
- (5) Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- (6) The above statement should be read with the Notes to the Restated Financial Information as appearing in the chapter titled "**Restated Financial Statements**" beginning on page 250 of this Draft Red Herring Prospectus.

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●]/- to ₹ [●]/- per Equity Share:

Particulars	P/E at Floor Price (Number of times)	P/E at Cap Price (Number of times)
P/E based on Basic & Diluted EPS for FY 2020 – 21	[●]	[●]
P/E based on weighted average Basic & Diluted EPS	[●]	[●]

III. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section:

Particulars	P/E Ratio
Highest	80.98
Lowest	N.A.
Industry Composite	53.56

Notes:

- (1) The industry high and low has been considered from the industry peer set provided later in this chapter. The Industry Composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "**Comparison of Accounting Ratios with listed industry peers**" at page 129 of this Draft Red Herring Prospectus.

- (2) The industry P/E ratio mentioned above is as computed based on closing price the closing market price of equity shares on Stock exchange (National Stock Exchange of India Limited) as on December 01, 2021 divided by diluted EPS (on consolidated basis) for the financial year ended March 31, 2021.

IV. Return on Net Worth (“RoNW”)

As derived from the Restated Financial Statements of our Company:

Financial Year Ended	RoNW (%)	Weight
March 31, 2021	19.99%	3
March 31, 2020	1.32%	2
March 31, 2019	(0.54) %	1
Weighted Average	10.35%	
Six Months period ended September 30, 2021*	20.54%	

* Not Annualised

Notes:

- (1) Return on Net Worth (%) = Net Profit/(Loss) after tax before other comprehensive income (as restated) divided by net worth at the end of the year/period.
- (2) Net worth has been computed as a sum of paid-up share capital and other equity excluding capital reserve on amalgamation.
- (3) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.
- (4) The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.

V. Net asset value per Equity Share (face value of ₹ 10/- each)

Net Asset Value per Equity Share	NAV derived from Restated Financial Statement (₹)
Net Asset Value per Equity Share as on March 31, 2021	25.56
Net Asset Value per Equity Share as on September 30, 2021	32.58
Net Asset Value per Equity Share after the Issue – At Cap Price	[●]
Net Asset Value per Equity Share after the Issue – At Floor Price	[●]
Issue Price per Equity Share	[●]

Notes:

- (1) Net Asset Value per Equity Share = Net worth at the end of the respective year/period by the Number of equity shares outstanding as at the end of respective year/period.
- (2) Net worth has been computed as a sum of paid-up share capital and other equity.
- (3) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

- (4) The Board of Directors has approved the issue of bonus equity shares in the meeting held on July 31, 2021, in the ratio of 2:1 out of the eligible reserves of our Company. For calculating the NAV above, these bonus shares have been considered in all the periods reported.

VI. Comparison of Accounting Ratios with Listed Industry Peers

Following is the comparison with our peer companies listed in India:

Name of the Company	Face value (₹ per share)	Total Revenue for financial year 2021 (₹ in Lakh)	EPS for financial year 2021 (₹)		NAV per equity share	P/E (Based on Diluted EPS)	RONW (%)
			Basic	Diluted			
Nandan Terry Limited*	10.00	53,894.12	5.11	5.11	25.56	[●]	19.99%
Listed Peers:							
Welspun India Ltd	1.00	7,40,795.40	5.37	5.37	37.26	26.13	14.71%
Trident Limited	1.00	4,54,670.00	0.61	0.61	6.53	80.98	9.15%
Himatsingka Seide Limited	5.00	2,27,252.72	(5.42)	(5.42)	133.58	NA^	(4.06)%

*Financial information of our Company is derived from the Restated Financial Statements for the Financial Year ended March 31, 2021. Total shareholding includes bonus shares issued by our Company on July 31, 2021.

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) from the financial statements presented in the latest annual report of the respective company for the year ended March 31, 2021 submitted to stock exchanges and from the respective company website.

Notes:

- (1) Considering the nature of the business of the company the peer is not strictly comparable and the same have been included for broad comparison.
- (2) Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company for the year ended March 31, 2021.
- (3) P/E Ratio has been computed based on the closing market price of equity shares on Stock exchange (National Stock Exchange of India Limited) as on December 01, 2021 divided by the Diluted EPS provided above in the table.
- (4) For listed peers, RoNW is computed as profit after tax for the year ended March 31, 2021 divided by Total equity net of minority interest.
- (5) Total Equity has been computed as sum of paid-up share capital and other equity.
- (6) Net Asset Value per share ("NAV") (in ₹) is computed as the closing net worth divided by the equity shares outstanding as on March 31, 2021.

[^] Not applicable since EPS is negative

The Issue Price is [●] times of the face value of the Equity Shares.

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

Investors should read the above-mentioned information along with chapters titled “***Our Business***” and “***Management’s Discussion and Analysis of Financial Position and Results of Operations***” and sections titled “***Risk Factors***” and “***Restated Financial Statements***” beginning on pages 155, 321, 38 and 250 respectively of this Draft Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled “***Risk Factors***” and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To

The Board of Directors

Nandan Terry Limited
Unit No.109, Peninsula Centre,
Dr. S.S. Rao Road, Behind Piramal Chambers,
Parel (E) Mumbai – 400012, Maharashtra

Sub: Statement of possible special tax benefits available to Nandan Terry Limited (“Company”) and its shareholders of the Company prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”)

1. We, C. N. Somani & Associates, Chartered Accountants, the statutory auditors of the Company, hereby confirm that the enclosed **Annexure A**, prepared by the Company and initialed by us for identification purpose (“**Statement**”) for the proposed initial public offering of equity shares of the Company (“**Offer**”), provides the possible special tax benefits available to the Company and to its shareholders under direct tax and indirect tax laws presently in force in India, including the Income Tax Act, 1961, , the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9) (L) of the ICDR Regulations. While the term ‘*special tax benefits*’ has not been defined under the ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Annexure A. Any benefits under the taxation laws other than those specified in the Annexure A are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the Annexure A have not been examined and covered by this statement.
3. The benefits discussed in the enclosed Statement are not exhaustive. The 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 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 Offer.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any,

between India and the country in which the non-resident has fiscal domicile.

5. We do not express any opinion or provide any assurance as to whether:
 - the Company or its shareholders will continue to obtain these benefits in the future; or
 - the conditions prescribed for availing of the benefits, where applicable have been/would be met with.
6. 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.
7. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. We hereby consent to the extracts of this certificate and the Statement being used in the Draft Red Herring Prospectus, the Red Herring Prospectus, The Prospectus and in any other material used in connection with the Offer and other Offer related materials.

For, **C. N. SOMANI & ASSOCIATES**
CHARTERED ACCOUNTANTS

SD/-
C. N. SOMANI
(PROPRIETOR)
(Membership No. :**017859**)
(FRN. :118147W)

Place: AHMEDABAD
Date: 07/12/2021
UDIN: 21017859AAAAMO5571



Annexure A

Statement of Tax Benefits

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL DIRECT AND INDIRECT TAX BENEFITS AVAILABLE TO NANDAN TERRY LIMITED (FORMERLY KNOWN AS NANDAN TERRY PRIVATE LIMITED) ("THE COMPANY") AND ITS SHAREHOLDERS

a. Special tax benefits available to the Company

There are no special tax benefits available to the Company under the provisions of the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, 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 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

b. Special tax benefits available to Shareholders

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

NOTES:

This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them in any country other than India.



SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re – classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but 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. You should read the entire this Draft Red Herring Prospectus, including the information contained in the chapters titled “Risk Factors” “Our Business” and “Restated Financial Statements” and related notes beginning on pages 38, 155 and 250 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares

WORLD ECONOMIC OUTLOOK

In 2020, world had witnessed a global pandemic era which occurs once in many generations. While it had adversely affected the global economy on a large scale, however the past few quarters have seen a steady recovery and rebound in the global economic activities.

According to the recent world economic outlook released by International Monetary Fund (IMF) on 12.10.2021, global economy is projected to grow at the rate of 5.9% in 2021 and 4.9% in 2022. IMF has downgraded the projections for 2021 by 0.1 percentage points as compared to its July outlook, mainly on account of downgrading of advanced economies and low-income developing countries. Projections for 2022 has remained unchanged. Downgrades for advanced economy group in part is mainly on account of supply disruptions, while outlook for low-income developing group has further darkened due to worsening pandemic dynamics.

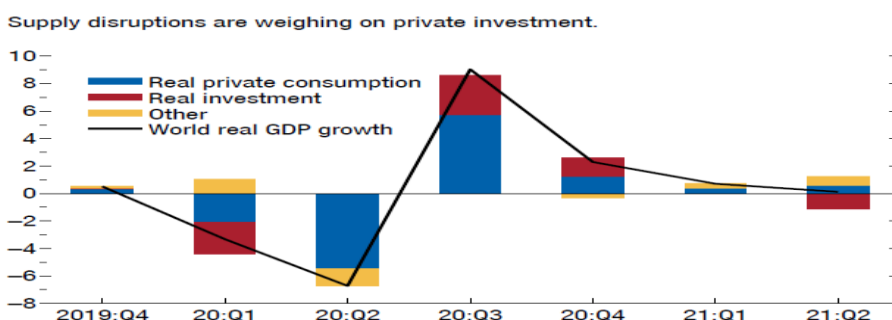
Despite rapid spread of various variants of COVID-19, global economic recovery is continuing resurging wherein vaccine access and early policy support are the principal drivers for this rebound. However, unequal access to the vaccine is the major concern area which has left many people still susceptible to the pandemic. Apart from this, there are many multi-dimensional challenges before the policy makers, as highlighted by the IMF, such as subdued employment growth, increasing inflation, food security, etc.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>)

GDP GROWTH IN 2021

As per the IMF outlook, GDP growth in first half of 2021 is in line with the expectations, due to continuous adaptation of the economies to the pandemic related restrictions and continuous policy support across the globe. However, this growth momentum has weakened in the second quarter of 2021 due to increasing infections in many emerging and developing economies. Another major reason was on account of supply disruptions. Figure 1.2 depicts the drivers of global growth on Q-o-Q basis.

Figure 1.2. Drivers of Global Growth
 (Quarter-over-quarter growth contributions, percentage points)

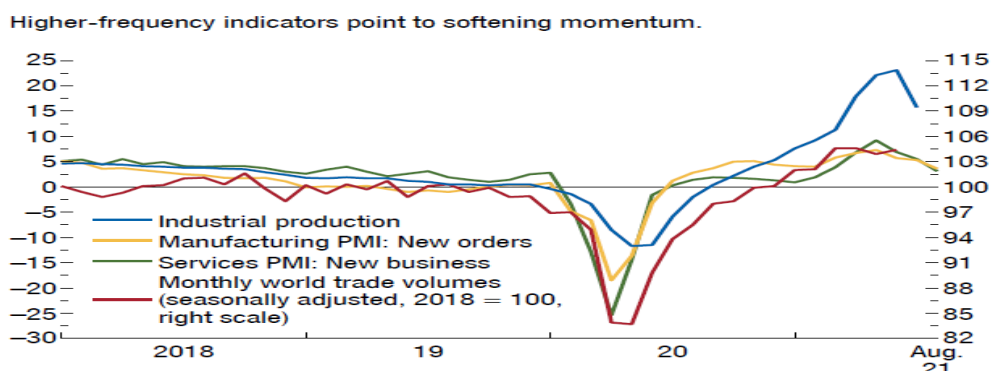


Sources: Haver Analytics; and IMF staff calculations.
 Note: The estimate of world real GDP at the quarterly frequency is based on a sample of economies covering 79.4 percent of global economic activity in 2020. "Other" includes the sum of contributions from public consumption and a residual component, which mixes contributions from the sample's net exports to economies not covered and a statistical discrepancy.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>)

Below chart of global activity indicators highlights that the growth momentum will continue further however it is getting further softened in third quarter of 2021

Figure 1.3. Global Activity Indicators
 (Three-month moving average, annualized percent change for industrial production; deviations from 50 for PMIs)



Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff calculations.
 Note: PMI above 50 indicates expansion while below 50 indicates contraction. PMIs = purchasing managers' indexes.

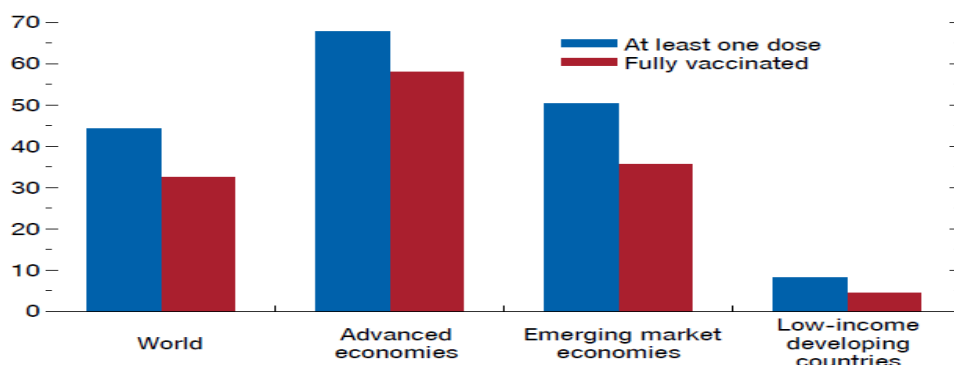
(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>)

VACCINATION DRIVE

Growth in vaccination drive in the advances economies is remarkable wherein around 58% of the population has been fully vaccinated whereas around 36% of the population of emerging economies have been fully vaccinated. However, low-income group economies are facing issues with vaccine supply and proper distribution and <5% of the population has been vaccinated. Below chart depicts the said picture:

Figure 1.4. The Great Vaccination Divide
(Percent of population)

Progress in vaccinations against COVID-19 remains highly unequal across the world.



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>)

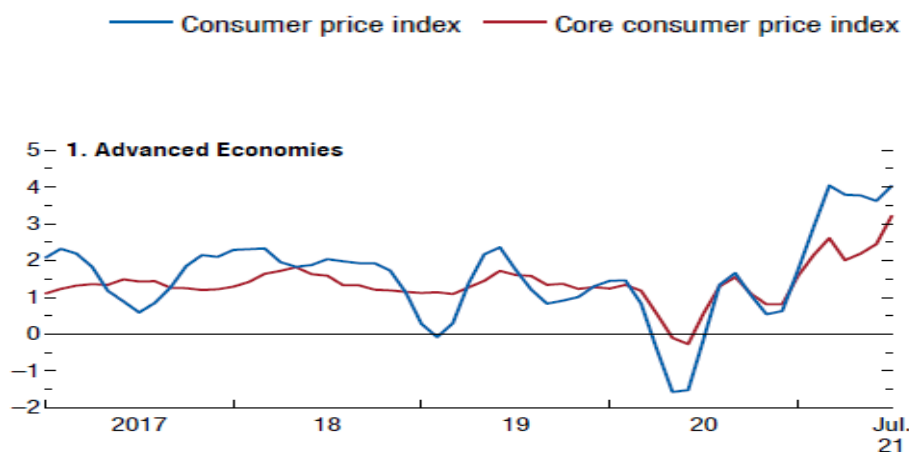
INCREASE IN INFLATION

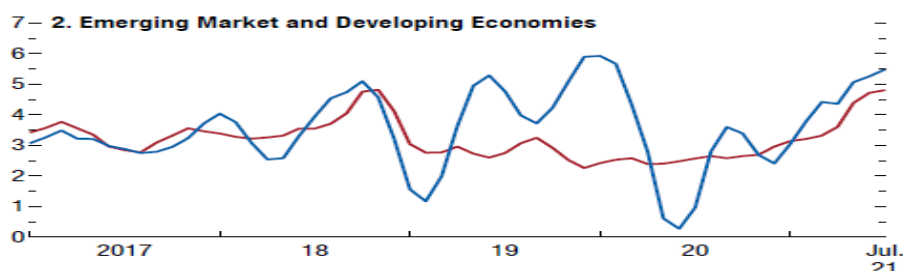
Headline inflation rates is increasing swiftly in many geographies, including emerging and developing economies during last few months on account of pandemic-induced mismatches in supply and demand, surge in commodity prices, shortage of containers, supply chain disruptions and other policy-related developments. Oil prices are also expected to increase during 2021 by around 60% above to their low base for 2020. Similarly, prices of non-oil commodities such metals and food have also increased in recent months. With the release of economic activities, release of excess accumulated savings would further increase the private spending.

IMF has projected that headline inflation is expected to peak in the last months of 2021 and expected to reach back to pre-pandemic level by mid- 2022 for both advanced economies as well as emerging market groups, however with the risk tilted towards upside over the medium term.

Figure 1.9. Inflation Trends
(Three-month moving average; annualized percent change)

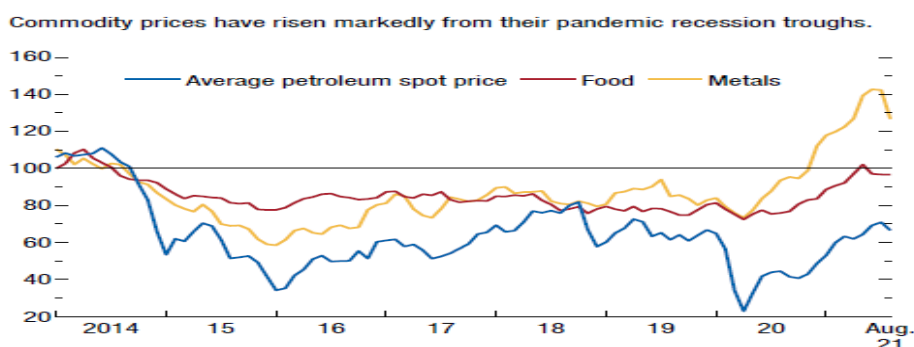
Headline inflation has picked up on average, with advanced economies seeing a sharper rise. Core inflation has also increased, but more moderately.





Sources: Consensus Economics; Haver Analytics; and IMF staff calculations.
 Note: Average inflation rates by economy group are purchasing power parity GDP-weighted averages. In terms of International Organization for Standardization (ISO) country codes, advanced economies comprise AUT, BEL, CAN, CHE, CZE, DEU, DNK, ESP, EST, FIN, FRA, GBR, GRC, HKG, IRL, ISR, ITA, JPN, KOR, LTU, LUX, LVA, NLD, NOR, PRT, SGP, SVK, SVN, SWE, TWN, USA; emerging market and developing economies comprise BGR, BRA, CHL, CHN, COL, HUN, IDN, IND, MEX, MYS, PER, PHL, POL, ROU, RUS, THA, TUR, ZAF.

Figure 1.11. Commodity Prices
 (Deflated using US consumer price index; 2014 = 100)



Sources: IMF, Primary Commodity Price System; and IMF staff calculations.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>)

GROWTH REVISIONS IN OCTOBER 2021 OUTLOOK

IMF has revised the growth outlook in its Oct 2021 outlook of various economies across the world considering the vaccination drive, policy support from the government and supportive financial conditions as major key drivers. Outlook for the advanced economies has been revised down as compared to its July forecast including USA due to large inventory drawdowns, softening consumption and supply disruptions. However, there is an upward revision in the growth forecast for the year 2022 as the vaccination proceeds further.

Contrary to the above, outlook for emerging market and developing economies for 2021 is marked up slightly across major regions. It is to be noted that projection of China for 2021 has been marked slightly down due to scaling back of public investment. Growth forecast for low-income developing country groups has been marked down due to slow rollout of vaccination drive. The IMF has identified India as a major growth economy. As per the revised projections the Indian Economy is set to grow at 9.5% and 8.5% in 2021 and 2022 respectively, making India the highest growth economy amongst all major economies.

Table 1.1 below depicts the overview of world economic projections

Table 1.1. Overview of the World Economic Outlook Projections
(Percent change, unless noted otherwise)

	2020	Projections		Difference from July 2021 WEO Update ¹		Difference from April 2021 WEO ¹	
		2021	2022	2021	2022	2021	2022
World Output	-3.1	5.9	4.9	-0.1	0.0	-0.1	0.5
Advanced Economies	-4.5	5.2	4.5	-0.4	0.1	0.1	0.9
United States	-3.4	6.0	5.2	-1.0	0.3	-0.4	1.7
Euro Area	-6.3	5.0	4.3	0.4	0.0	0.6	0.5
Germany	-4.6	3.1	4.6	-0.5	0.5	-0.5	1.2
France	-8.0	6.3	3.9	0.5	-0.3	0.5	-0.3
Italy	-8.9	5.8	4.2	0.9	0.0	1.6	0.6
Spain	-10.8	5.7	6.4	-0.5	0.6	-0.7	1.7
Japan	-4.6	2.4	3.2	-0.4	0.2	-0.9	0.7
United Kingdom	-9.8	6.8	5.0	-0.2	0.2	1.5	-0.1
Canada	-5.3	5.7	4.9	-0.6	0.4	0.7	0.2
Other Advanced Economies ²	-1.9	4.6	3.7	-0.3	0.1	0.2	0.3
Emerging Market and Developing Economies	-2.1	6.4	5.1	0.1	-0.1	-0.3	0.1
Emerging and Developing Asia	-0.8	7.2	6.3	-0.3	-0.1	-1.4	0.3
China	2.3	8.0	5.6	-0.1	-0.1	-0.4	0.0
India ³	-7.3	9.5	8.5	0.0	0.0	-3.0	1.6
ASEAN-5 ⁴	-3.4	2.9	5.8	-1.4	-0.5	-2.0	-0.3
Emerging and Developing Europe	-2.0	6.0	3.6	1.1	0.0	1.6	-0.3
Russia	-3.0	4.7	2.9	0.3	-0.2	0.9	-0.9
Latin America and the Caribbean	-7.0	6.3	3.0	0.5	-0.2	1.7	-0.1
Brazil	-4.1	5.2	1.5	-0.1	-0.4	1.5	-1.1
Mexico	-8.3	6.2	4.0	-0.1	-0.2	1.2	1.0
Middle East and Central Asia	-2.8	4.1	4.1	0.1	0.4	0.4	0.3
Saudi Arabia	-4.1	2.8	4.8	0.4	0.0	-0.1	0.8
Sub-Saharan Africa	-1.7	3.7	3.8	0.3	-0.3	0.3	-0.2
Nigeria	-1.8	2.6	2.7	0.1	0.1	0.1	0.4
South Africa	-6.4	5.0	2.2	1.0	0.0	1.9	0.2
<i>Memorandum</i>							
World Growth Based on Market Exchange Rates	-3.5	5.7	4.7	-0.3	0.1	-0.1	0.6
European Union	-5.9	5.1	4.4	0.4	0.0	0.7	0.5
Middle East and North Africa	-3.2	4.1	4.1	0.0	0.4	0.1	0.4
Emerging Market and Middle-Income Economies	-2.3	6.7	5.1	0.2	-0.1	-0.2	0.1
Low-Income Developing Countries	0.1	3.0	5.3	-0.9	-0.2	-1.3	0.1
World Trade Volume (goods and services)	-8.2	9.7	6.7	0.0	-0.3	1.3	0.2
Imports							
Advanced Economies	-9.0	9.0	7.3	-0.7	-0.3	-0.1	0.9
Emerging Market and Developing Economies	-8.0	12.1	7.1	0.7	0.0	3.1	-0.3
Exports							
Advanced Economies	-9.4	8.0	6.6	0.0	0.0	0.1	0.2
Emerging Market and Developing Economies	-5.2	11.6	5.8	0.8	-0.9	4.0	-0.2
Commodity Prices (US dollars)							
Oil ⁵	-32.7	59.1	-1.8	2.5	0.8	17.4	4.5
Nonfuel (average based on world commodity import weights)	6.7	26.7	-0.9	0.2	-0.1	10.6	1.0
Consumer Prices							
Advanced Economies ⁶	0.7	2.8	2.3	0.4	0.2	1.2	0.6
Emerging Market and Developing Economies ⁷	5.1	5.5	4.9	0.1	0.2	0.6	0.5
London Interbank Offered Rate (percent)							
On US Dollar Deposits (six month)	0.7	0.2	0.4	-0.1	0.0	-0.1	0.0
On Euro Deposits (three month)	-0.4	-0.5	-0.5	0.0	0.0	0.0	0.0
On Japanese Yen Deposits (six month)	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0

Source: IMF staff estimates.

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 23–August 20, 2021. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = *World Economic Outlook*.

¹Difference based on rounded figures for the current, July 2021 WEO Update, and April 2021 WEO forecasts.

²Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

³For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>)

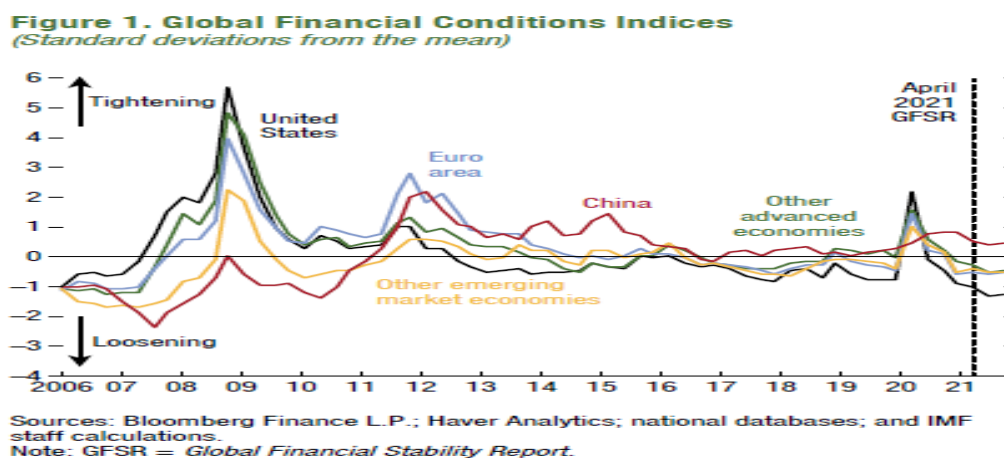
GLOBAL FINANCIAL STABILITY OUTLOOK

With the gradual revival of global economy, financial stability risk has remained contained so far with the aid of monetary and fiscal support from the governments. However, investors are getting concerned with strength of this recovery, particularly in emerging markets. In late September, increasing inflationary pressures than the anticipated, have pushed the nominal yield higher. As per

the IMF Global Financial Stability Report Oct 2021, a prolonged period of easy financial conditions, though needed for sustain economic recovery, may give threat of overly stretched asset valuations and could increase financial vulnerabilities. Report also highlights, few warning signals such as increased financial risk-taking and rising fragilities in non-banking financial institutions sector which indicates a deterioration in the underlying financial stability foundations.

If these signals are not taken seriously, it may evolve into a structural legacy problem putting medium term growth at risk and might test the resilience of the global financial system. IMF has recommended that central banks should act proactively and provide clear guidance over their future stance of monetary policy so as to avoid any unwarranted tightening of financial conditions. Also, fiscal support should also be towards more targeted measures and tailor made as per country specific characteristics and requirements.

Thus, the policy makers are confronted with the challenge of achieving tradeoff between maintaining near-term support for global economy vis-à-vis preventing unintended consequences and medium-term financial stability risks. The steep curves in 2020-2021 in the following chart reflects that almost all economies loosened their monetary and fiscal policies to counter the effect of the Covid-19 pandemic, however, they are now shifting back towards a more stable monetary and fiscal policy regime. How long will such shift take be to be seen and will have a considerable bearing on the medium term local and global economic outlook.

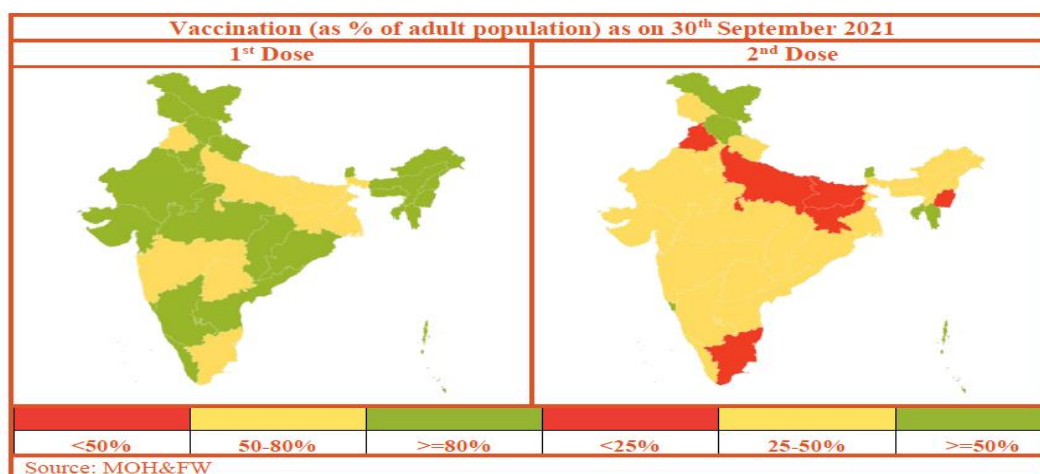


(Source: <https://www.imf.org/en/Publications/GFSR/Issues/2021/10/12/global-financial-stability-report-october-2021>)

INDIAN ECONOMIC OUTLOOK

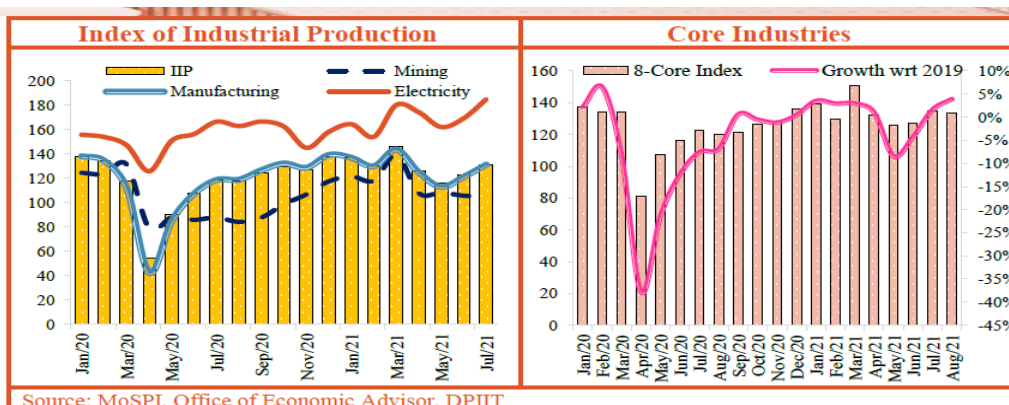
As per the report of Reserve Bank of India (“RBI”), India’s real Gross domestic product (GDP) had expanded by 20.1 per cent Y-o-Y during Q1: FY2021-22 due to large favorable base. However, real GDP in Q1 of FY2021-22 was 9.2% below its pre-pandemic level two years ago. Rebound in the economic activity is facilitated due to ebbing of infections, ease in restrictions and sharp-pick up in vaccinations. The South-west monsoon also picked up well in September 2021. Record kharif food grains production of 150.5 million tonnes as per the first advance estimates augurs well for the overall agricultural sector.

As per the recent Monthly Economic Review report of September 2021 released by Department of Economic Affairs, India has shown a resilient recovery momentum, supported with the fast vaccination drive and enhanced mobility. India’s Vaccination drive is achieving new milestones wherein more than three-fourth of its adult population has been partly vaccinated while more than one-fourth has been administered both doses. This drive has ensured substantial equity among all states wherein more than 50% of their adult population has received their first dose.



(Source: <https://dea.gov.in/sites/default/files/September%202021.pdf>)

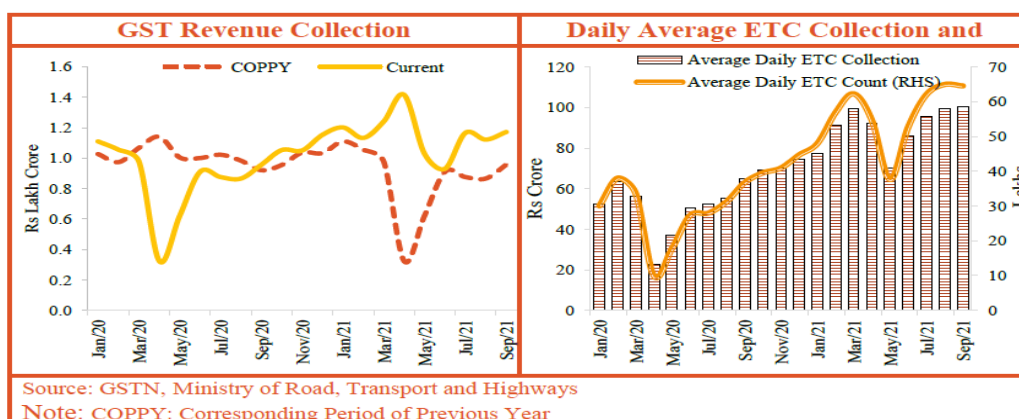
With the relaxation in mobility curbs, Industrial activity is regaining their lost ground. Index of Industrial Production has seen a broad-based Y-O-Y Growth of 11.5% in July 2021. Also, increase in PMI Manufacturing to 53.7 and PMI Services on 55.2, on the basis of improved consumer demand and business confidence establishes the strong and robust recovery in economic activities.



(Source: <https://dea.gov.in/sites/default/files/September%202021.pdf>)

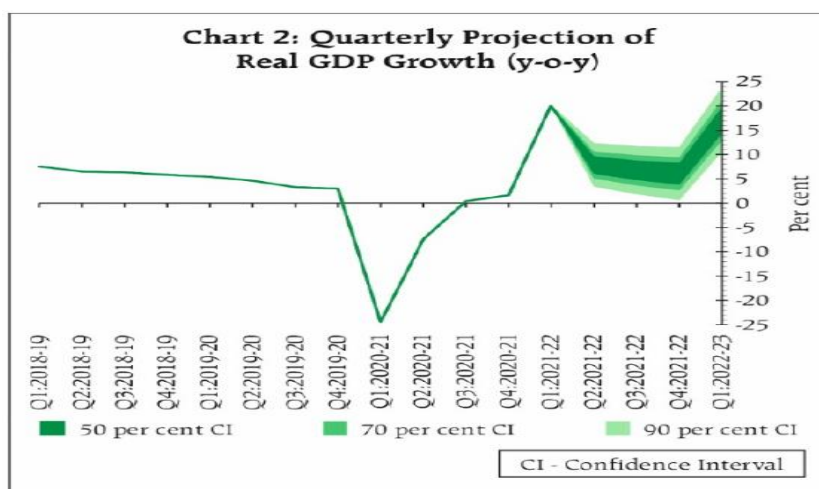
Trends in high frequency economic indicators viz. power consumption, rail freight, e-way bills, GST collection, highway toll collections, sequential increase in air freight and passenger traffic, digital transactions, etc., indicate signals of broad-based recovery. Additionally, continuous decline in growth of currency in circulation since August, indicates that demand for precautionary savings is declining as the economy reopens progressively. However, report also highlights that volatility in international crude prices and upward trend in edible oil and metal prices are causing concerns.

Recovery in Industrial activities has also increased with the roll out of Production Linked Incentive Schemes (“PLI Schemes”) that aims for promotion of manufacturing activities in the country. Till date, PLI Schemes have been approved for 13 sectors while notified for 9 sectors. In correlation with the e-way bill numbers, GST collection for the month of September 2021 stood at a robust Rs. 1.17 lakh crore. Similarly, average daily value of highway electronic toll collections (ETC) in September 2021 has reached its highest level in last 21 months, wherein Y-o-Y growth in ETC during September 2021 was 75.8% in numbers and 55.1% in terms of value.



(Source: <https://dea.gov.in/sites/default/files/September%202021.pdf>)

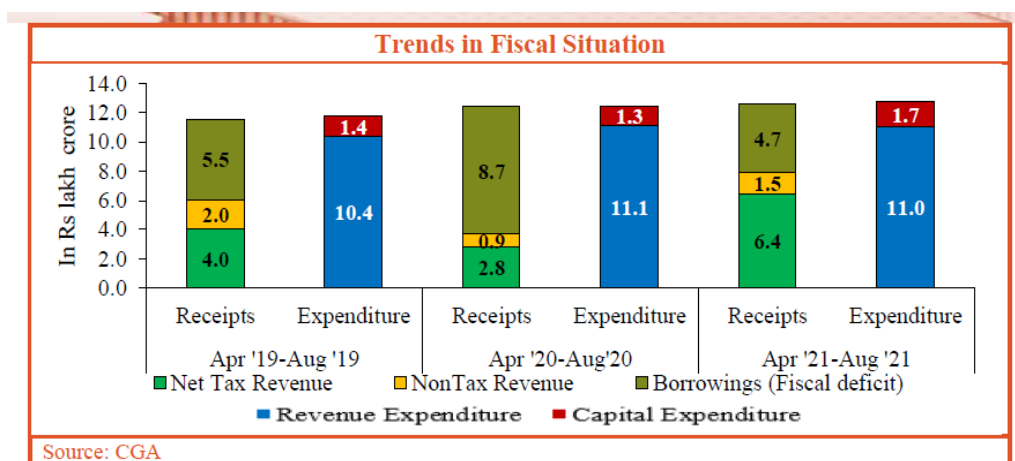
As per the Reserve Bank of India (RBI’s) assessment, projection for real GDP growth for FY2021-22 has been retained at 9.5%, which includes 7.9% in Q2, 6.8% in Q3 and 6.1% in Q4 of FY2021-22. Real GDP growth for Q1 2022-23 is projected to be at 17.2%



(Source: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52450#CH1)

FISCAL DEVELOPMENTS FOR FY2021-22 (APRIL 2021 TO AUGUST 2021)

During April to Aug 2021, Centre's fiscal deficit stood at Rs. 4.68 Lakh Crore which is 31.1 per cent of Budgeted Estimate (BE), much lower than in the previous years, when it stood at 109.3 per cent of BE during April-August 2020 and 78.7 per cent of BE during April-August 2019. Net tax revenue collection has more-than doubled during the said period as compared with corresponding period of previous year and reached to the level of Rs. 6.45 Lakh crore. Y-o-Y growth rate in major direct taxes was more than 100% whereas Y-o-Y growth in major indirect taxes was of more than 50% in the first five months of current fiscal year.



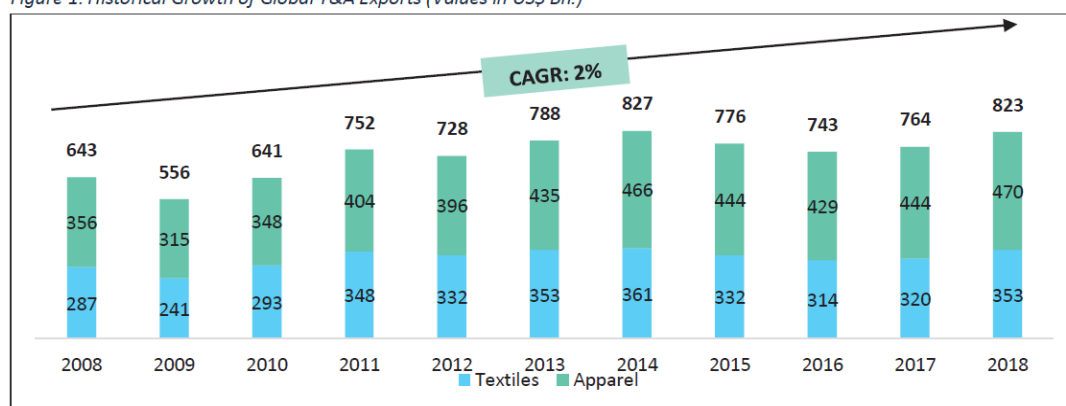
(Source: <https://dea.gov.in/sites/default/files/September%202021.pdf>)

GLOBAL TEXTILE INDUSTRY

Global Textile and Apparel (T&A) trade has grown with a CAGR of 4% since 2005 and has reached to the level of trade at US\$823 Billion, out of which Apparels are the most traded category across the globe with a share of 57% of total trade in T&A. Fabric is the second most traded category with share of 19% in the global trade, although growth rate of fabric trade has remained at CAGR of 3% as compared to CAGR of 4% of apparel trade.

Global T&A trade is expected to reach the threshold of US\$1,000 Billion by 2025 showing a promising growth rate of >3% compounded annually.

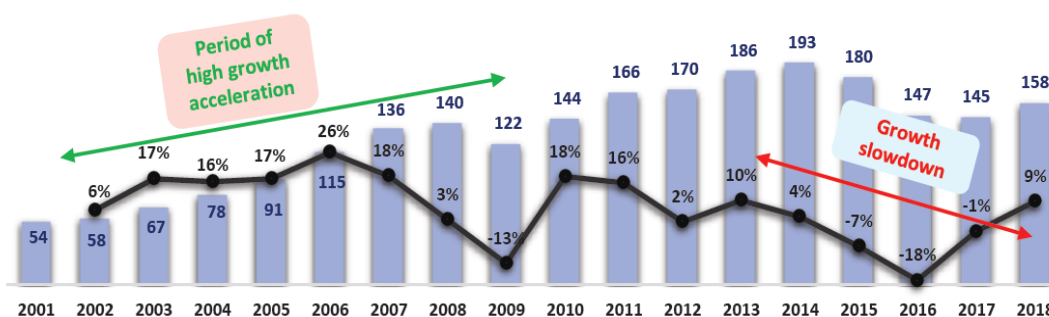
Figure 1: Historical Growth of Global T&A Exports (Values in US\$ Bn.)



(Source: FICCI Report on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

China with a share of 35% in global T&A exports in 2018 stood at the position of largest exporter, however witnessing a decline in its share from 37% in 2017, majorly on account of increase of focus on its fast-growing domestic textile business and increasing manufacturing cost. Below chart depicts the declining share of China in Global T&A market in recent years.

Figure 2: Slowdown in China's Export Growth (Export values in US\$ Bn.)



(Source: FICCI Report on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

While Chinese exports in absolute terms will continue to grow, however, there will be a reduction in its shares in global T&A market. With this reduction, it is expected to create an export market vacuum of around US\$50 Billion by 2025 and this has provided a great opportunity to the emerging countries viz. India, Bangladesh, Vietnam, Ethiopia, Kenya and Myanmar.

Considering the growth rate of overall economy of both India and China, it is expected that domestic textile market of these countries will attain a high growth rate of 12% and 10% respectively, making a cumulative market size of US\$ 309 Billion by 2025. Factors contributing the growth trend in India are-

- increasing youth population,
- high purchasing power,
- shift from need-based purchase to aspiration-based purchase,
- growing urbanization,
- increasing penetration of technology,
- greater access to the internet leading to significant growth in online retail sales.

(Source: FICCI Report on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

DISRUPTIVE TRENDS IMPACTING THE GLOBAL TEXTILE AND APPAREL SECTOR

US-China Trade War

Trade war between world's two leading economies viz. US and China has created as opportunity for the other emerging markets. It's impact of the global textile market is visible from the fact that China's share in US Garment Imports has reduce gradually since 2010 whereas share of other markets such India, Vietnam, Bangladesh and Indonesia has increased.

Table 4: Textile and Apparel Exports by Top Suppliers to USA

In US\$ Bn.	Imports by US	China	Vietnam	India	Bangladesh
Textiles (Chap. 50-60)	15.5	4.3 (28%)	0.3 (2%)	1.7 (11%)	0.03 (0.2%)
Apparel (Chap. 61-62)	83.5	27.6 (33%)	12.2 (15%)	3.8 (5%)	5.2 (6%)
Made-ups (Chap. 63)	15.4	8.5 (55%)	0.2 (1%)	2.5 (16%)	0.2 (1%)
Total	114.4	40.4 (36%)	12.7 (11%)	8.0 (7%)	5.4 (5%)

(Source: FICCI Report on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

Further impact in the coming year may be seen with the unfolding of impact of ongoing trade war where US has increased the import duty on Chinese textile products from 10% to 25% and thus, creating a conducive environment for these emerging markets where India is also a beneficiary. It is estimated that impact of this duty increase may create an additional market worth of US\$ 10-15 Billion for these countries, however, it depends significantly upon the availability of suppliers, efficiency and meeting cost competitiveness.

Despite of the fact that India is the third largest manufacturer, it has registered negligible growth in share of US market between 2010 to 2018. Hence to grab the opportunity to increase share in the US Market, Indian garments exporters need to establish themselves as a reliable replacement of Chinese suppliers not only in terms of scale, efficiency and cost but also in offering a diversified product portfolio.

(Source: Report by FICCI on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

CHANGING LANDSCAPE OF TEXTILE AND APPAREL INDUSTRY

Textile & Apparel industry has witnessed panoramic changes since the industrial revolution. The first industrial revolution brought the concept of mass production while second and third industrial revolution introduced the concept of production lines and digitalization/automation, respectively. The industry is now going through another paradigm shift “Industry 4.0”. It is the fourth industrial revolution towards data exchange and automation in manufacturing technologies and processes. It is creating “Smart Factories” in which technology monitors physical systems & processes and makes decentralized decisions in the factory. It includes internet of things (IoT), Industrial internet of things (IIoT), cloud computing and artificial intelligence. Industry 4.0 with its various components has impacted the textile & apparel industry from spinning to retail. The adoption of Industry 4.0 tools and technologies in apparel industry would result in - increased efficiency, reduced lead time, improved product quality and thus better service to buyers. Hence, it is becoming increasingly important for Indian apparel manufacturers to gear up and be flexible enough to adopt these cutting-edge technologies to remain competitive in the global marketplace.

(Source: Report by FICCI on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

INDIAN TEXTILE INDUSTRY

OVERVIEW

As per Annual Report of Ministry of Textiles for 2020-21, India is the 6th largest exporter of Textile and Apparels in the world, after China, Germany, Bangladesh, Vietnam, and Italy. India is worldwide known for many products including cotton yarn, fashion garments, hand-made carpets, etc. Designing capability of this industry is respected worldwide.

Indian Textile and clothing industry is one of the mainstays of Indian Economy where its share in total exports stood at 11.8% in 2019-20 while Indian share in global trade in textiles and trade is around 5%. Major textile export destinations for India are USA and Europe with around 50% share in total exports of textile and apparels. This sector is critical from employment perspective as well where it is the second largest employment generating sector, next only to agriculture, providing direct employment of around 45 million people and source of livelihood for over 100 million people indirectly. Of this, major part of the workforce is women, hence plays a critical and pivot role for women empowerment and overall social development of the country.

Indian Textile Industry is the second largest producer of Man-made Fibre (MMF) after China.

(Source: Annual Report of Ministry of Textiles and Economic survey 20-21)

The textile and apparel industry contributed to 2% in the overall GDP and 11% in the total manufacturing GVA in FY20. The Government of India is implementing several schemes for textile and industry sector such as the Amended Technology Upgradation Fund Scheme (ATUFS), Scheme for Integrated textiles park (SITP) and a scheme called Samarth. ATUFS, is a revised version of TUFS and has the objective to modernize and upgrade the technology of the Indian textile industry. SITP is for providing world class infrastructure facilities. Of the 56 textile parks which were sanctioned under SITP, 23 have been completed so far. Samarth focusses on capacity building in the textile sector. In

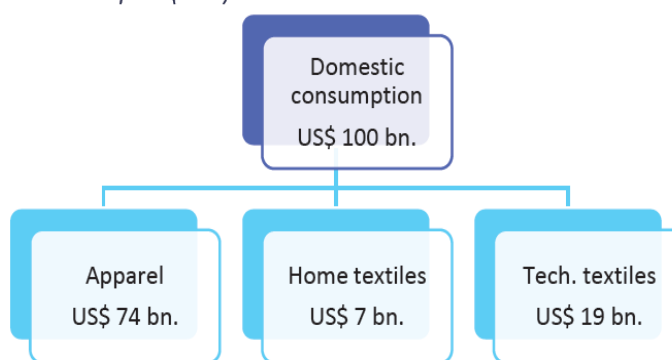
addition, other schemes specific to silk, jute, wool, handloom and handicraft sectors are also being implemented.

(Source: Economic survey 20-21)

DOMESTIC MARKET

Indian Domestic Textile and Apparel Industry is worth US \$ 106 Billion comprising of Apparels (US\$ 74 Billion), Home Textiles (US\$ 7 Billion) and Technical Textiles (US\$ 19 Billion) in 2018. It is expected to grow at a CAGR of 12% to reach US\$ 220 Billion by 2025-26.

Figure 4: Indian Domestic T&A Consumption (2018)



(Source: Report by FICCI on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

Domestic Apparel Market: Indian domestic market has performed better than the largest textile consumption regions like US, EU and Japan, registering a healthy CAGR of 10% between 2007 & 2018. Domestic apparel market size of India is expected to maintain this growth & reach a level US\$ 220 bn. In 2025 by growing at a CAGR of 12%.

Home Textiles & Technical Textiles: Domestic home textiles market stood at US\$ 7bn. in 2018 and expected to grow at 10% CAGR to reach US\$ 14 bn. in 2025, while the technical textiles market which is currently at US\$ 19 Billion is expected to grow at 12% CAGR to reach US\$ 42 Billion by 2025.

Figure 6: Domestic Home Textiles Market (US\$ Bn.)

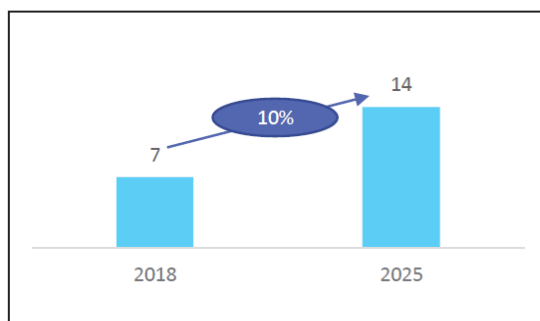
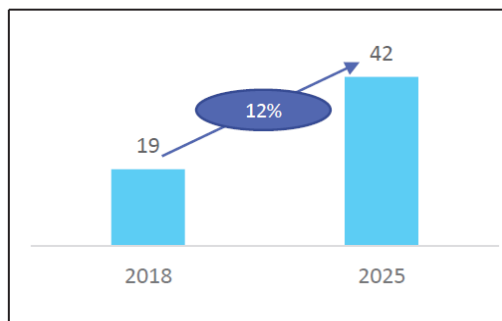


Figure 7: Domestic Technical Textiles Market (US\$ Bn.)

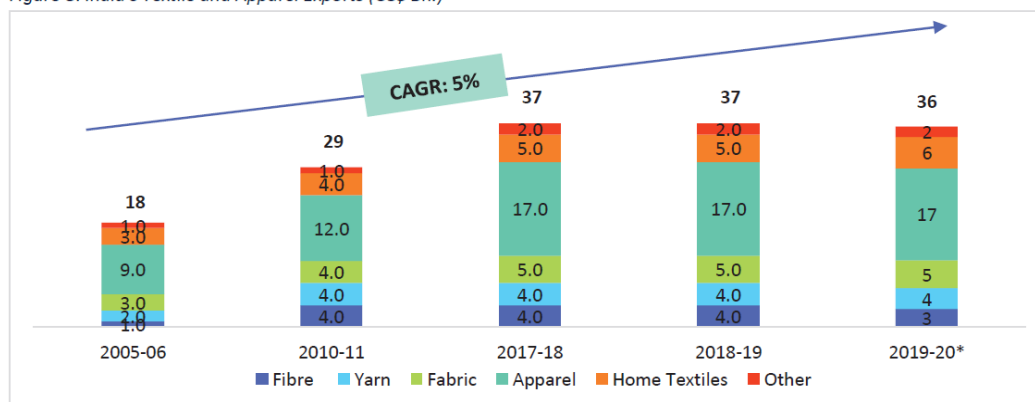


(Source: Report by FICCI on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

INDIA AS EXPORTER OF TEXTILES & APPAREL IN WORLD

Textile and apparel export from India was of US\$ 37 Billion in the FY2018-19 and expected to be in similar range in FY19-20 with slight downfall. Growth rate since 2005-06 for exports of T&A was around CAGR of 5% however, it is now expected to grow at a CAGR of 12% and reach at the level of US\$ 70 Billion by 2025.

Figure 8: India's Textile and Apparel Exports (US\$ Bn.)



Data Source: DGCI, Ministry of Commerce

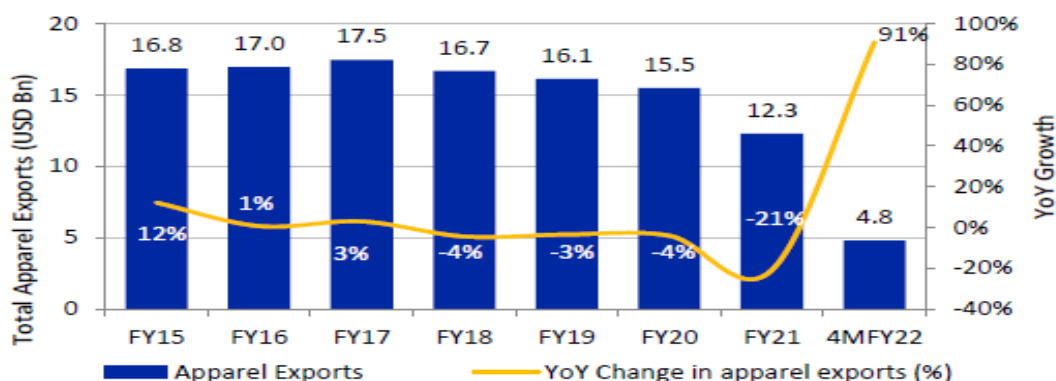
Largest export market for Indian textile and apparel exporters are EU and USA with the share of 25% and 22% respectively. Apart from them, other prominent market includes UAE (7%), China (6%) and Bangladesh (6%).

(Source: Report by FICCI on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

Recent Trend in India's Apparel Exports

Total apparel exports of India in FY2019 were of USD 16.1 Billion which came down to the level of USD 12.3 Billion in FY2021 due to the outbreak of pandemic. However, it is showing sequential growth now on M-o-M basis as per the report of ICRA on India's Apparel Exports released in August 2021. During the month of July 2021, India's apparel exports grew sequentially at the rate 39% and stood at the level of USD 1.39 Billion. Overall, in the first four months of FY2021-22, growth in apparel export was at 91% YoY basis, although due to low base effect (55% YoY decline in 4MFY2020-21). Below chart depicts the India's apparel exports and YoY growth trajectory-

Exhibit: India's annual apparel exports and YoY growth



Source: CMIE, Department of Commerce, ICRA Research

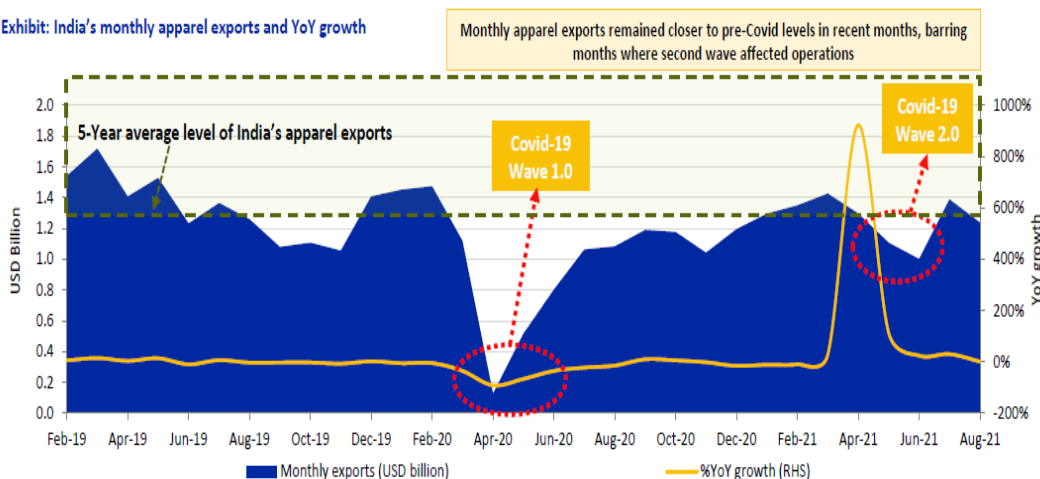
(Source: ICRA Report on Monthly Update – India's Apparel Exports – August 2021)

As compared to the first wave of pandemic, India's apparel industry remained more resilient facing second wave, mainly on account of better preparedness towards lockdown restrictions and successfully managed operations following COVID-19 protocols. Apart from this, Industry also had a healthy order book in hands from the key markets of US and EU, prior to the outbreak of second wave of the pandemic. Amid the risk of intermittent disruptions that may arise due to incremental waves, container shortages, delay in release of export incentives, ICRA expects that apparels export industry to remain around the pre-covid levels due to healthy demand scenario. Following chart reflects the monthly apparels exports and YoY growth levels-

Apparel exports showed greater resilience in second wave



Exhibit: India's monthly apparel exports and YoY growth



Source: Department of Commerce (Government of India), ICRA Research

(Source: ICRA Report on Indian Apparel & Fabric Sector - September 2021)

GROWTH TRENDS FOR INDIAN TEXTILE SECTOR

Till date, Indian textile sector has grown at a robust pace over the last decade and same is expected to continue in the coming years as well on account of multiple growth factors contributing towards this trajectory such as:

New Categories of Consumption: Changing lifestyle and social scenario in India has led to the emergence of new consumption categories in textile sector in last 5-6 years such as sportswear, women's wear, protective wear, active wear etc. Increase spending power has led to attain high growth rate in the coming years in the entire segment.

Penetration of Organized Retail Segment: Many international fashion brands such as H&M, Aeropostale, Zara, etc. has entered Indian market and has made India as a top destination in recent years. Presence of international brands will lead to higher consumption of fashion apparels

Changing Demographic Dividend: India has one of the largest youth populations in the world and once this population joins the workforce, their purchasing power increases. Once they get more money in hand, apparel sector is the most beneficiary of this increased purchasing power. Increasing urbanization in India has also played a significant role and with the shifting of youth from rural areas to urban cities, consumption of apparels will have a strong growth.

Growth of Technical Textiles: This segment has also emerged as another promising segment in this industry due to multiple factors such as –

- increasing awareness of health and hygiene, safety among consumers,
- growth of end use industries such as automobile industry, medical industry, protective wear industry, construction industry, etc.
- Stringent regulatory norms under various industries viz. usage of seatbelts & airbags in automobiles, etc.

Increasing Exports to USA: Major share of Indian's export of textile and apparel products is to USA. In 2018, USA has imported its 25% of home textiles products from Indian Exporters. Also, 47% of Indian Exports to USA were in the form of garments and next major share of 38% belongs to home textiles.

(Source: Report by FICCI on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

PLI Scheme for Textile Industry: Indian government has notified Production-linked Incentive Scheme ("PLI Scheme") for textiles industry, mainly to boost the production of Man-made Fibre (MMF) fabrics, MMF apparels and technical textiles. Total budgetary outlay for the scheme has been kept of Rs. 10,683 Crores which is to be expended over the period of next five years. As per ICRA estimate, the scheme is expected to attract investments of Rs. 19,000 crore and cumulative turnover of over 3 lakh crores during the scheme period of 5 years.

(Source: ICRA Report on Indian Apparel & Fabric Sector - September 2021)

WAY FORWARD OF INCREASING INDIA'S COMPETITIVENESS

Penetration into Untapped Markets for Global Textile and Apparel Industry: India shares around 5% in the global textile and apparel exports and holds position of sixth largest exporter. However, in majority of top T&A markets, share of Indian exports is less than 3%. This poses tremendous

opportunity to Indian exporters to tap these markets and increase their share.

Table 6: India's Markets with <3% in Textile & Apparel Exports

S. No.	Global Rank	T&A Market	2018 (USD bn)	% Share in India's Exports
1	1	EU-28	303.4	3.0%
2	3	Japan	37.2	1.1%
3	5	Viet Nam	28.0	2.3%
4	6	Rep. of Korea	17.5	2.7%
5	7	Canada	15.3	3.0%
6	8	Russian Federation	14.4	1.0%
7	10	Mexico	12.2	2.2%
8	11	Indonesia	10.5	2.5%
9	12	Switzerland	10.2	0.7%
10	16	Philippines	7.1	1.3%

Data Source: UN Comtrade

Improving service and quality levels: One of the critical issues being faced by the Indian exporters is regarding the Quality Management and poor service quality. These shortcomings not only impact India's image in the global textile industry but it also discourages existing buyers from continuing their relationship with Indian exporters. The major issues faced in quality management and service quality are as under:

Major Issues faced in terms of Quality Management are-

- Dispatching of faulty products
- Poor packaging
- Inability to cater large order quantities
- Non adherence to compliances and norms

Issues faced in terms of service levels:

- Delay in lead times
- Poor communication between merchandizers and buyers
- Infrastructural & procedural delays in shipment

In order to overcome the above shortcomings and achieve better competitiveness from the global players, Indian exporters need to implement robust client management systems which will keep them in level with the requirement of their buyers and help them in providing good quality and service levels in an efficient manner.

(Source: Report by FICCI on Indian Textile Industry: Winning in Disruptive Times FICCI TAG 2020)

HOME TEXTILES INDUSTRY

COVID-19 has impacted the entire economy badly including the entire textile and apparel sector. Gradually, with the reopening of economy and gradual increase in economic activities, many sectors are reviving. Recovery of Home Textiles industry is among the first few textile segments which are

now reporting consistent growth trajectory on YoY Basis from the Q2 FY2021 itself. This sector has reported double -digit growth rate from three consecutive quarters thereafter.

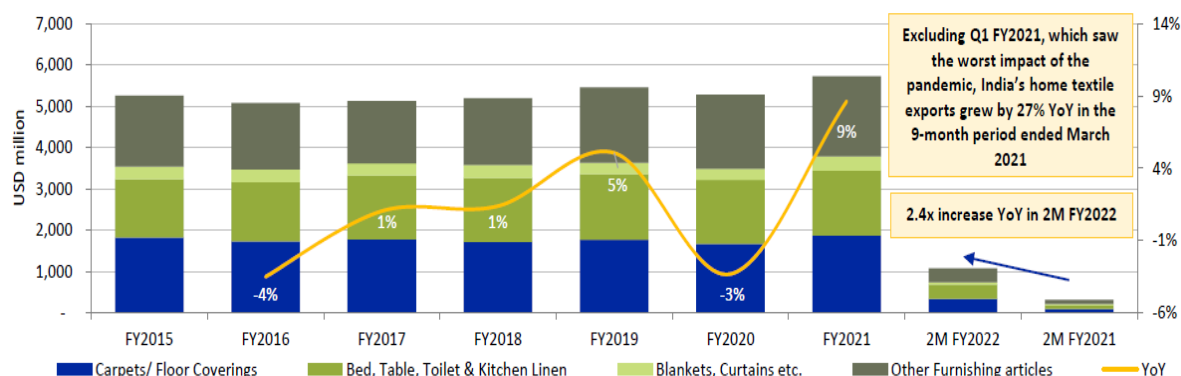
Factors impacting positively the Home Textile Industry includes pandemic-induced lifestyle changes stemming from heightened hygiene and continuing stay-at-home. Revival of the hospitality sector has led to the pick-up in the institutional demand as well. Strong festive demand and increasing vaccination coverage creates positive demand outlook and getting reflected in the order books of Indian Home Textile Exporters. However, increasing raw material and logistic cost poses a major concern for the industry.

(Source: ICRA Report on Indian Home Textiles Industry – August 2021)

PERFORMANCE IN FY 2020-21

- India's home textile exports grew at a healthy rate of 9% in FY2020-21 on YoY basis despite pandemic-led operational disruptions, before shrinking to 3% in FY2019-20. Growth trajectory of this segment was muted in the previous years, wherein India's home textile exports increased by 1%, 1% and 5% in FY2017, FY2018 and FY2019 respectively
- Fastest growing category among the Home Textile Segment is of blankets and curtains which has reported the growth rate of 28% in FY2020-21, followed by carpets and floor coverings with a growth rate of 12%.
- In value terms, carpets and floor coverings is the largest category in Exports markets having share of 33% in FY2021 whereas share of bed/table/toilet/kitchen linen was of 27%.
- In the first two months of the FY20-21, blankets & curtains has reported the lowest growth (80% YoY, on a low base), while exports in other segments more than trebled vis-à-vis corresponding period of last year.

Exhibit: Trend in India's Annual Home Textile Exports – Product category wise

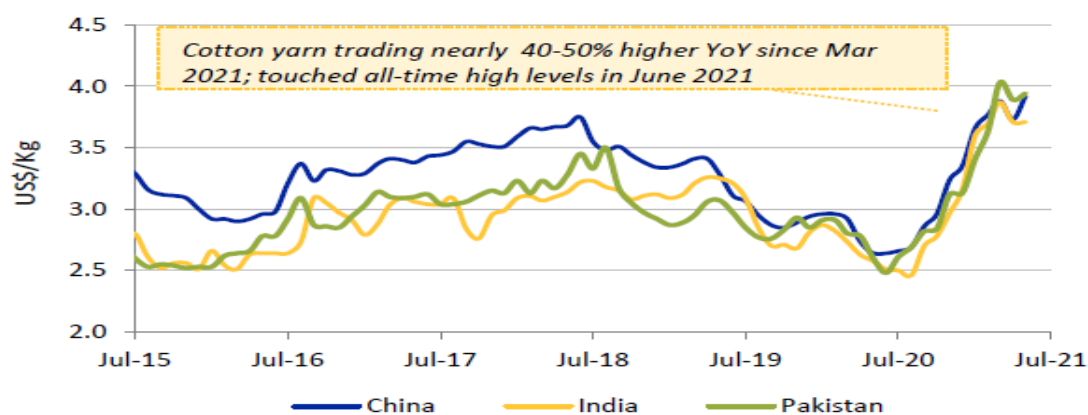


(Source: ICRA Report on Indian Home Textiles Industry – August 2021)

MAJOR HEADWINDS FOR THE INDUSTRY

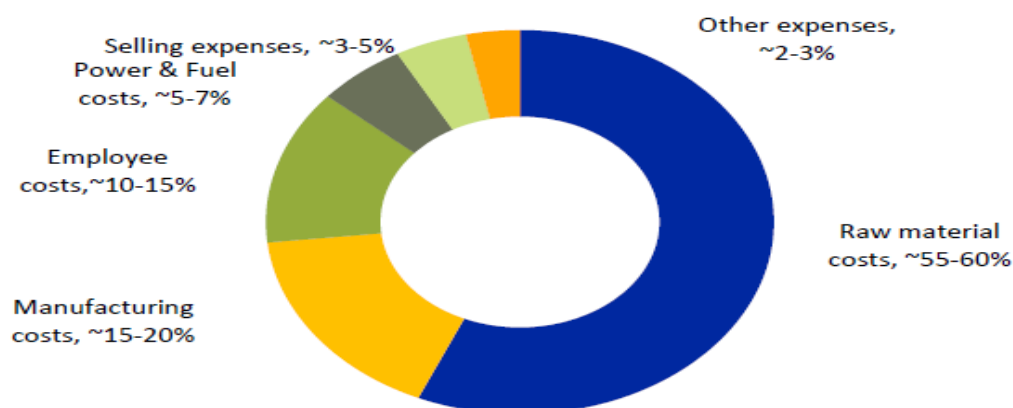
- **Intense Competition:** Competitive pressures remain intense from countries such as Pakistan and China.
- **Surge in Raw Material Prices:** Sharp surge in cotton yarn prices in the current calendar year has increased raw material costs for the companies. Cotton yarn prices have touched all-time highs in recent months, wherein prices are around 3% higher in Q1 of FY2021-22 as compared to the prices in Q4 of FY2020-21 whereas average prices are around 28% higher as compared to the prices prevalent in FY2020-21. Although prices of cotton yarn have moderated slightly by 1% in July 2021, it is expected to further moderate in H2 of FY2021-22 on account of normalizing of demand-supply conditions. This sharp increase in cotton yarn prices which is a major raw material has put pressure on the margins on the downstream players who are not backward integrated into spinning. Chart of typical cost structure of a home textile exporter shows that raw material constitutes around 55-60% of its total cost of manufacturing.

Exhibit: Trend in domestic and international cotton yarn prices



(Source: ICRA Report on Indian Home Textiles Industry – August 2021)

Exhibit: Typical cost structure for home textile exporters



Source: AceEquity, ICRA research

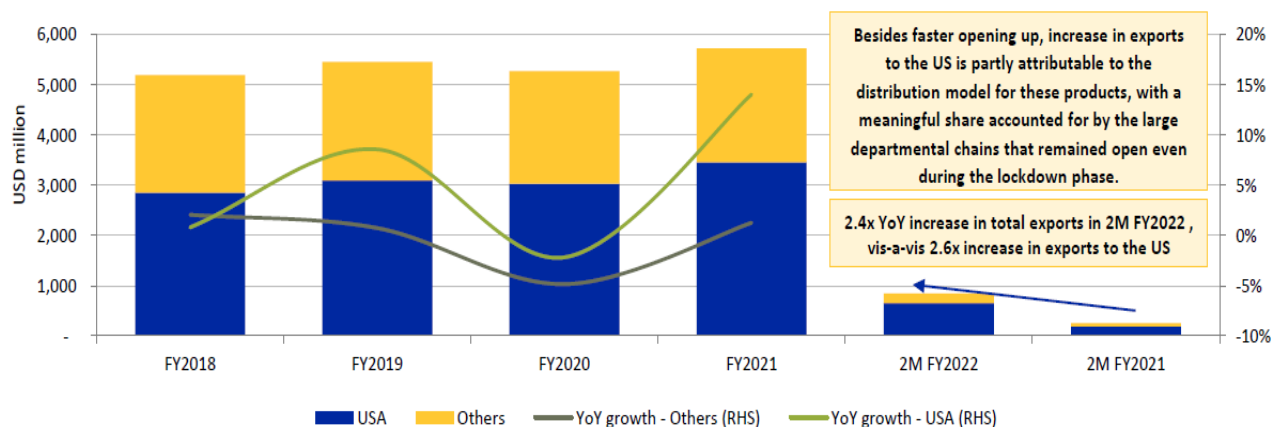
Note: Based on ICRA's sample of large home textile companies

(Source: ICRA Report on Indian Home Textiles Industry – August 2021)

OPPORTUNITIES FOR THE INDIAN TEXTILE AND APPARELS INDUSTRY

- **Global Trade Developments:** Restrictions on import of cotton from Xinjiang region of China, which account from major chunk of world's cotton supply, by US and few other countries and focus on having a China Plus One vendor strategy is likely to benefit India
- **Export Incentives:** Three-year extension of RoSCTL scheme has provided clarity in facilitating better pricing of products. This would help the exporters to effectively price their products without worrying about retrospective changes.
- **Discretionary Spending:** Although discretionary spending has been affected by the pandemic, prolonged stay at home and increased focus on hygiene have led to a sharp increase in spending on home textiles. Institutional demand also likely to pick up with gradual recovery in the hospitality sector

Exhibit: Trend in India's Annual Home Textile Exports – Region wise



Source: Department of Commerce, ICRA research

(Source: ICRA Report on Indian Home Textiles Industry – August 2021)

OUTLOOK: FINANCIAL PERFORMANCE

- While the overall textile and apparel industry in India is expected to see a continues growth over next many years, home textile segment is expected to outshine the other sub-segments in the industry.
- ICRA expects home textile companies to report a healthy double-digit growth in revenues in FY2022, following a marginal 5% growth last year (due to ~40% YoY dent in performance in Q1 FY2021). Besides sustained healthy demand for home textile products, China plus one-vendor strategy is expected to support volumetric growth for Indian exporters. While growth is likely to be primarily volume led, realizations are also expected to be renegotiated, given the sustained cost-side pressures.



- While increased raw material and logistics costs remain a transitory drag, benefits of operating leverage, clarity on export incentive structure, and booking of additional export incentives for Q4 FY2021 (which were not booked earlier, pending clarity), are expected to result in a marginal improvement in profitability.

(Source: ICRA Report on Indian Home Textiles Industry – August 2021)



OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. See the chapter titled “**Forward– Looking Statements**” beginning on page 28 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and “**Risk Factors**”, “**Restated Financial Statements**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 38, 250 and 321, respectively of this Draft Red Herring Prospectus 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 Company’s Fiscal year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 and for the 6 months ended on September 30, 2021 included herein is derived from the Restated Financial Statements, included in this Draft Red Herring Prospectus. For further information, see the chapter titled “**Restated Financial Statements**” beginning on page 250 of this Draft Red Herring Prospectus.*

*Unless otherwise indicated, all financial, operational, industry and other related information included herein with respect to any particular year refers to such information for the relevant calendar year. Also, see “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data**” at page 25 of this Draft Red Herring Prospectus.*

Overview

Our Company is part of the Ahmedabad based Chiripal Group, which enjoys presence in industries such as textiles, education, real estate, packaging and chemicals and offers a wide spectrum of manufacturing, contract manufacturing, trading, distribution and service-related activities in sectors like textiles, education, packaging, infrastructure, petrochemical etc. Our Company was incorporated in 2015 and has emerged as a fully vertically integrated company engaged in principle business of manufacturing terry towels & toweling products. We procure cotton bales from domestic and international markets and manufacture cotton yarn which are in turn used as a raw material in manufacturing of terry towels & toweling products. To meet the demand in the market, we get finished towels / woven fabric manufactured on outsourced basis which further undergoes CSP (Cutting, Stitching, Packing) process at our unit. Apart from manufacturing terry towels & toweling products, we sell cotton yarn manufactured at out units at times to achieve better sales realizations. Additionally, we sell woven fabric cloth in open market which is manufactured at our units as per the demand scenario prevailing in the industry.

Moreover, all our five (5) manufacturing units and facilities are situated in the state of Gujarat, India and cater to manufacturing of terry towels & toweling products in business – to – business (B2B) segment. Our Company designs and manufactures wide portfolio of terry towels & toweling products for various domestic and international brand. Our Company also has an in-house research and design facility to cater to all kind of designs and trends as per customer's need. Our strict compliance with the internal quality control and international standards of quality, has enabled us to expand our sales internationally to countries including United States of America, Canada, Israel, Germany, Hong Kong, Sweden, United Kingdom, Australia etc.



We are certified by some of most reputed global certification agencies for our quality, environment consciousness, labor practices, our processes and customer services such as OEKO-TEX, SEDEX, GOTS (Global Organic Textile Standard), SA 8000 etc. For further information, see the chapter titled **“Government and other Approvals”** beginning on page 378 of this Draft Red Herring Prospectus.

Our Company was awarded Silver Plaque for reaching highest export of Terry Towels in Rs.10-100 Crores category by the Cotton Textiles Export Promotion Council (TEXPROCIL) in year 2017 – 18. Our Company was also awarded Gujarat - Best Employer Brand Award in 2018. Our CEO, Ronak Brijmohan Chiripal has been awarded Indian Achievers Award, 2021 for Young Entrepreneurs.

Our revenues from operations for period ending September 30, 2021 and Fiscals 2021, 2020 and 2019 were ₹ 50,181.18 lakh, ₹ 53,852.43 lakh, ₹ 42,938.62 lakh and ₹ 32,216.59 lakh respectively. Our EBITDA for period ending September 30, 2021 and Fiscals 2021, 2020 and 2019 were ₹ 7,011.38 lakh, ₹ 8,682.53 lakh, ₹ 6,184.38 lakh and ₹ 5,054.79 lakh respectively. Our restated standalone profit after tax for period ending September 30, 2021 and Fiscals 2021, 2020 and 2019 were ₹ 3,062.02 lakh, ₹ 2,337.74 lakh, ₹ 122.40 lakh and ₹ (50.41) lakh respectively. For further details, please refer to the section titled **“Restated Financial Statements”** beginning on page 250 of this Draft Red Herring Prospectus.

Manufacturing Facilities

Our Company is a vertically integrated manufacturing company and our plants cater to various segments of the manufacturing process of terry towel production such as spinning, weaving, dyeing, cutting, stitching and packing (CSP) and processing. To ensure that we supply quality products which meet the applicable standards, we have set up quality control facilities at each unit, which consists of our quality assurance and quality control teams who check and conduct various tests on the products at various stages starting from the raw materials procured to the finished products manufactured by us. Our facilities are supplemented by our utilities, such as water, power etc. which makes it an important link between all our facilities. The details of our vertically integrated manufacturing facilities are provided below

S. No.	Name	Address	Facility	Area (Sq. Mt.)	Installed Capacity (FY 2020-21)
1.	Dholi Unit I	Survey No. 679 (Old Survey no. 350), Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad, Gujarat – 382240	Spinning	33,387	15,695 MT
2.	Dholi Unit II	Survey No. 642 (Old Survey no. 353), Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad, Gujarat – 382240	Dyeing	28,328	3,500 MT
3.	Dholi Unit III (A)	Survey No. 635 and 639 (Old Survey nos. 357/A/5 and 357/A/6) Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad, Gujarat – 382240	Weaving	60,906*	12,650 MT
4.	Dholi Unit III (B)		Cutting, Stitching and Packing (CSP)		10,752 MT
5.	Piplej Unit	Survey No. 185/1 of T.P.S. No 125, Saijpur-Gopalpur, Pirana Road, Vatva, Ahmedabad, Gujarat – 382405	Process House	9,538.92	12,650 MT



**Facility at Survey No. 635 and 639 (Old Survey nos. 357/A/5 and 357/A/6) Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad, Gujarat – 382240 is used for both Weaving and Cutting, Stitching and Packing (CSP) and the total area is not bifurcated between the two units. However, both the units have their separate installed capacity.*

Impact of COVID-19 on Our Business Operations

In late calendar 2019, COVID-19, was first reported in China. Since then, the virus has progressively spread globally to many countries. The pandemic outbreak caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The demand for our products is dependent on and directly affected by factors affecting industries where our products are used.

When the first wave hit the country, our manufacturing facilities were completely shut down for around 2 weeks in first quarter of FY 2020-21 due to government restrictions. After government decided to grant permission to start industrial activity, our spinning unit resumed operations. In May, 2020, our remaining units also resumed operations. Since most of the factory employees were stationed within and nearby premises of our manufacturing facility, our manufacturing facilities promptly resumed production. During the second wave, the lockdown did not halt operations within our factories after Central Government lifted partial restrictions and the factories were running at 75% - 90% capacity after lockdown. Due to increase in hygiene related product consumption on account of COVID-19, the market for towel and toweling products has improved and the market has continued to stay robust with respect to demand. International market has also continued to stay robust with respect to demand.

Although we did not achieve the growth and profits as projected during the first quarter of Fiscal 2021 but our Company managed to take proactive steps to ensure that the business lost was regained in the forthcoming quarters and we continue to closely monitor the impact that COVID-19 may have on our business and results of operations.

Our Strengths

Management Expertise

Our individual promoters, who are also part of Board of Directors, are associated with us since the inception and have extensive knowledge and understanding of the domestic and global textile business environment, the expertise and vision to organically scale up our business with a proven background of more than 20 years. They are founding members and are actively involved in the strategic decision making for the Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. They are instrumental in developing our business activities, growth and future prospects.

The team comprises of experienced and professional personnel having with strong asset management, execution capabilities and considerable experience in textile industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is well qualified and experienced in textile industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future



market opportunities and expand into new markets along with addressing and mitigating various risks inherent in our business, including significant competition, global economic crisis and fluctuation in fuel prices.

Strong Technological Capabilities

We use latest technology and machinery procured from major suppliers/distributors in India and abroad. Our Plant is equipped with 102 Looms out of which 24 are Jacquards looms and 78 are Dobby Looms. The processing section is equipped with latest machines in the finishing section to make the perfect towel. Even the folding and packing processes are carried on latest machines which guarantee quality check and precision. These modern machineries also help us in maintaining high quality standards. The latest technology enables radical design and innovation in creating new looks and new trends. Technology has helped us in rolling out new combination of dyes and prints.

We believe, being an integrated manufacturer, we have a competitive advantage to customize our products as per the specific requirements of our customers and even manufacture and deliver quantities. All the processes involved in manufacturing and processing of cotton yarn and our products such as, preparatory functions such as cotton mixing, blow room, carding, combing, drawing and spinning, all the way through weaving/knitting ending with bleaching, dyeing and finishing of towel and towelling products, etc. are independently carried out in our manufacturing units. We believe this differentiates us from other players in the industry as each of our manufacturing activity is sourced, conceptualized and executed by our 'in-house team', which has helped us to emerge as one of the few integrated players in India.

Strategic location of existing Manufacturing Facilities

Our Company's plant at Dholi Spinning Park, Ahmedabad, Gujarat and processing units at Piplej, Ahmedabad, Gujarat is strategically located and is well connected by rail, roads and air with the rest of the country. It is also well connected with Mundra and Nhava Sheva ports. The Dholi plant is well connected to Ahmedabad International Airport and with National Highway No. 751 and 47. Key raw material, i.e., cotton or cotton yarn, is easily available locally and at affordable cost in Gujarat. Thus, procurement of these raw material is less time consuming and comparatively cheaper due to saving of transportation overheads. Ahmedabad has been the hub of Textile Industry in Gujarat. Skilled and semi-skilled workers are easily available in Gujarat in view of the wide spread Textile industry located in the Western Region for over a Century

Thus, the location of the site is advantageous to the Company in procurement of raw materials as well as transportation the finished products.

Quality standards and Assurance

Quality Assurance and Quality Control are integral part of our manufacturing operations. We believe that quality is an ongoing process of building and sustaining relationships. Owing to the expertise of our experienced and trained team all the products are manufactured strictly as per the domestic and international standard laid down by our customers and regulatory bodies. Our commitment of supplying superior quality products is complemented by our industry knowledge.

All our manufacturing facilities have a fully equipped Quality Control facility with experienced and qualified staff to carry out quality checks and inspections at all the stages of our manufacturing process. The quality control and quality assurance checks are carried out on raw materials procured



and finished products manufactured by us to match the quality standards as specified by the relevant international regulatory body and customers.

Our Company is dedicated towards quality of our products, processes and inputs. We adhere to quality standards as prescribed by our customers. All products that leave the factory premise are inspected by the Quality Control Department. Further, quality check is done at every stage of manufacturing to ensure the adherence to desired specifications. Since, our Company is dedicated towards quality of products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards, which enables them to maintain their brand image in the market.

We are certified by some of most reputed global certification agencies for our quality such as OEKO-TEX (Confidence in Textile Standard 100), OEKO-TEX (Confidence in Textile STeP), Fairtrade standard and FLOCERT certification, GOTS (Global Organic Textile Standard) etc.

Long standing relationship with our customers.

Our Company has strong customer base in both domestic and export markets. Over a period of time, our Company has built-up a track record of manufacturing and marketing quality products with ensuring timely completion of orders. Our long-standing relationship with our customers to whom we supply the products manufactured in the facilities of our Company is a testimonial for the quality of our products.

Our marketing team closely interacts with the customers, understands their requirements which helps us in delivering products as per their specific requirements, thereby ensuring higher customer satisfaction. This also helps us understand customer requirements and their future plans better, enabling us to forecast, plan and manufacture our products accordingly, thereby resulting in business optimization, improved productivity, efficiency and margins. Our Company has been able to retain customers and further strengthen the relationship by providing them products suited to their requirements. We attribute the strength of our customer relationships to our ability to customize our products based on customer specifications and requirements, as well as our track record of consistent delivery of quality and cost-effective products and solutions through our strategic alignment with our key customers' goals and specifications over the years. Our efficient manufacturing processes coupled with consistent delivery of quality has helped us develop and maintain long-term relationships with a number of our customers.



Government Incentives

We enjoy the benefits of incentives under the “Gujarat Textile Policy- 2012” provided by the State Government of Gujarat. The State Government notified Gujarat Textile Policy- 2012 with objective of strengthening the whole value chain in textile sector. The scheme offers various benefits and subsidies such as power tariff subsidy, interest subsidy, VAT concession etc.

Strategies

Enhanced focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth.

We will continue to leverage technology for better demand planning, replenishment and in season management activities. This will help us improve sales and sell through, allowing us to increase sales and minimize markdowns on our inventory. These actions are expected to improve margins, reduce costs and also reduce our overall inventory levels. With a strong focus on cash generation, we are also rationalizing and reducing our exposure to customer segments and channels that require us to maintain high levels of inventory or have longer payment cycles. With continuous business analysis of customers feedback on our products, we are committed to improve our products with efficient usage of technology. We believe our focus on costs, network efficiency and asset turns will help us improve our profitability and return on capital employed.

Focus on Value Added Products

We intend to continue innovation in Design and product development of Towels with more focus on our self-developed exceptional technology driven OSMOSE towels which provides better functionality & aesthetics on account of its superior quality. We also intend to focus on providing sustainable range of Eco-friendly towels with Global Recycle Standard (GRS) certified Polyester Yarns & natural fibers.

To develop export opportunities for our products

We currently export our products to various countries such as United States of America, Canada, Israel, Germany, Hong Kong, Sweden, United Kingdom, Australia, etc. and intend to further expand our export in new markets to strengthen our product infrastructure and overall manufacturing capabilities. India is one of the major exporters of textile products while developed economies such as US and Europe are major importers of textile products. Our product portfolio is primarily focused on offering differentiated products based on customer’s requirements. Through a combination of increased capacities, reduced costs, marketing initiatives, competitive pricing and more efficient use of our resources, we intend to support our long-term strategy, strengthen our competitive position, particularly in acquiring technical expertise and provide greater scale to grow our earnings, increase shareholder value and become a preferred exporter of textiles.



Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach.

Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely. We intend to focus on expanding our customer base and forming new long-term relations with our customers by catering to their needs and demands in a timely, efficient and cost-effective manner.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behaviour, which has helped us in achieving customer loyalty. We endeavour to continuously improve the products offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We intend to focus on aggressive branding strategy to percolate our product in premium customer segment. We have already started out on our journey as a supplier and exporter of our existing products in the international market, by supplying products in conformity with the international standards, which makes the quality of our products, our biggest marketing technique. Our international operations have enabled us to learn and follow the global trends, improve our efficiency, quality and trend analysis and better customer servicing, which shall in the future help us in penetrating global markets with a wide market reach.

Investing in Advanced Technology

Our vertically integrated facilities are highly dependent on technology to ensure smooth and effective functioning, thereby making it conducive that we continue to modernize and upgrade the technology used by us. New technologies are constantly being developed for the various processes of manufacturing and we have invested in the latest available technology, plant and machinery to ensure that our manufacturing processes are up to date. We will continue upgrading our technology to keep ourselves competitive and efficient.

DESCRIPTION OF OUR BUSINESS OPERATIONS

PRODUCT AND SERVICES

We are in the business of predominately manufacturing towel and toweling products. Our Company manufactures cotton yarn which are in turn used as a raw material in manufacturing of terry towels & toweling products. To meet the demand in the market, we get finished towels / woven fabric manufactured on outsourced basis which further undergoes CSP (Cutting, Stitching, Packing) process at our unit. Apart from manufacturing terry towels & toweling products, we sell cotton yarn manufactured at out units at times to achieve better sales realizations. Additionally, we sell woven fabric cloth in open market which is manufactured at our units as per the demand scenario prevailing in the industry.

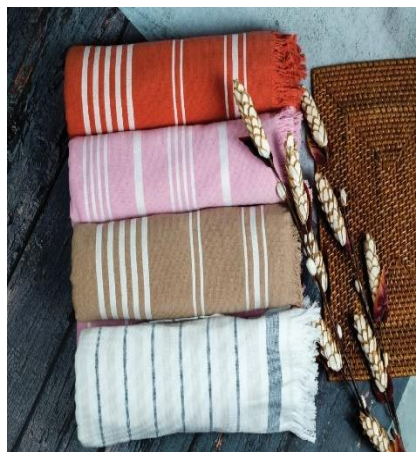
Our Product Portfolio is as follows:

A. TOWELS

Towels are subject to changing fashions, and the market is constantly demanding new designs with improved fabric characteristics important to the consumer such as softness, absorbency and value features. Our Company is able to adapt to these continuous changes and demands and achieve customers' satisfaction through our ongoing market study and innovative techniques. We make high quality towels from basic to luxurious ones to cater to all customer segments. Our towel portfolio includes bath towels, kitchen towels, hand towels, bath mat and beach towels. We make such towels in variety of sizes depending upon customer requirements. In terms of technical design our towels can be bifurcated in two categories:

Dobby Towels

Towels with minimalistic design are manufactured through Dobby Looms. Dobby towel varieties include dobbie piece dyed solids and textures and dobbie yarn dyed stripes towels. We make Dobby Towels using all kind of quality yarns made from Egyptian, American and Indian cottons.



Jacquard Towels

Towels with more intricate figurative designs like florals, geometrics etc. are manufactured through Jacquard Looms. Jacquard towels are considered as fashion towels incorporating more colours and patterns in designs. We make piece dyed and yarn dyed jacquard towels. Design elements also includes self-fringed, embroidered and scalloped towels. We make Jacquard Towels using all kind of quality yarns made from Egyptian, American and Indian cottons.



B. Other Towelling Products

We also manufacture other terry products like wash mitten and bath robes.



C. Cotton Yarn

Apart from manufacturing terry towels & toweling products, to ensure the full utilization of the installed capacity of our manufacturing units, we also sell cotton yarn manufactured in our units. Yarn is a long continuous length of interlocked fibres, suitable for use in the production of fabric. Yarn qualities are open end, ring spun, zero twist, blends of cotton with linen, modal, bamboo and recycled polyester.



D. Woven Fabric

We sell woven fabric cloth in open market which is manufactured at our units as per the demand scenario prevailing in the industry. Woven fabric is any textile product formed by weaving. Woven fabrics are often created on a loom and made of many threads woven on a warp and a weft. Technically, a woven fabric is any fabric made by interlacing two or more threads at right angles to one another.



MANUFACTURING PROCESS

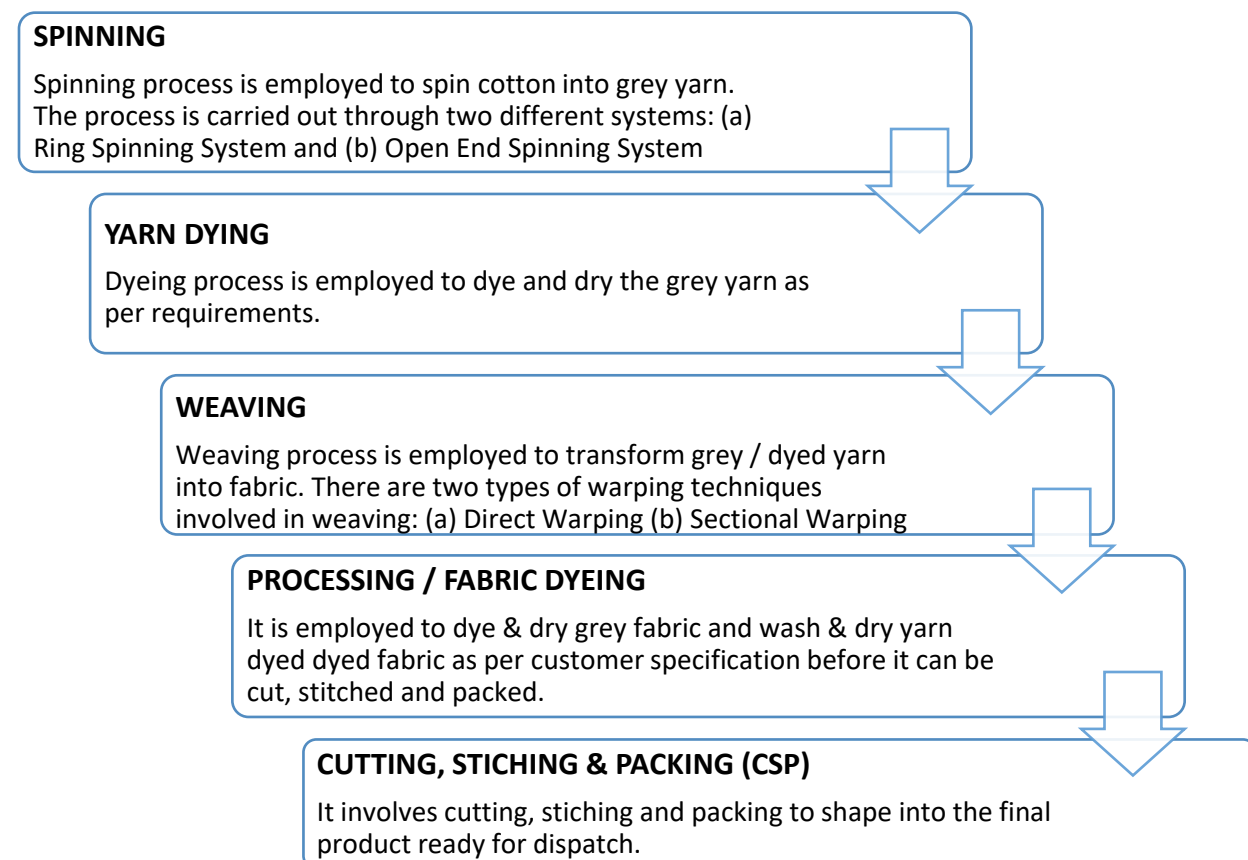
The products manufactured at the facilities have to go through various machines and undergo a number of processes, which are detailed below.

Raw Material Procurement

Cotton is the most vital raw material used in our manufacturing process for all our products specially, cotton yarn, as we process cotton yarn to manufacture our finished products. Our quality control facility ensures that the quality of all our raw materials is maintained in order for us to manufacture quality fabric. We procure different types of cotton from various domestic and foreign vendors. We use variety of cotton including Indian domestic cotton, US cotton, Egyptian cotton, Organic Cotton sourced from vendors accredited by Global Organic Textile Standard (GOTS), cotton sourced from vendors accredited by Better Cotton (BCI) etc.

To meet the demand in the market, we get finished towels / woven fabric manufactured on outsourced basis which further undergoes CSP (Cutting, Stitching, Packing) process at our unit.

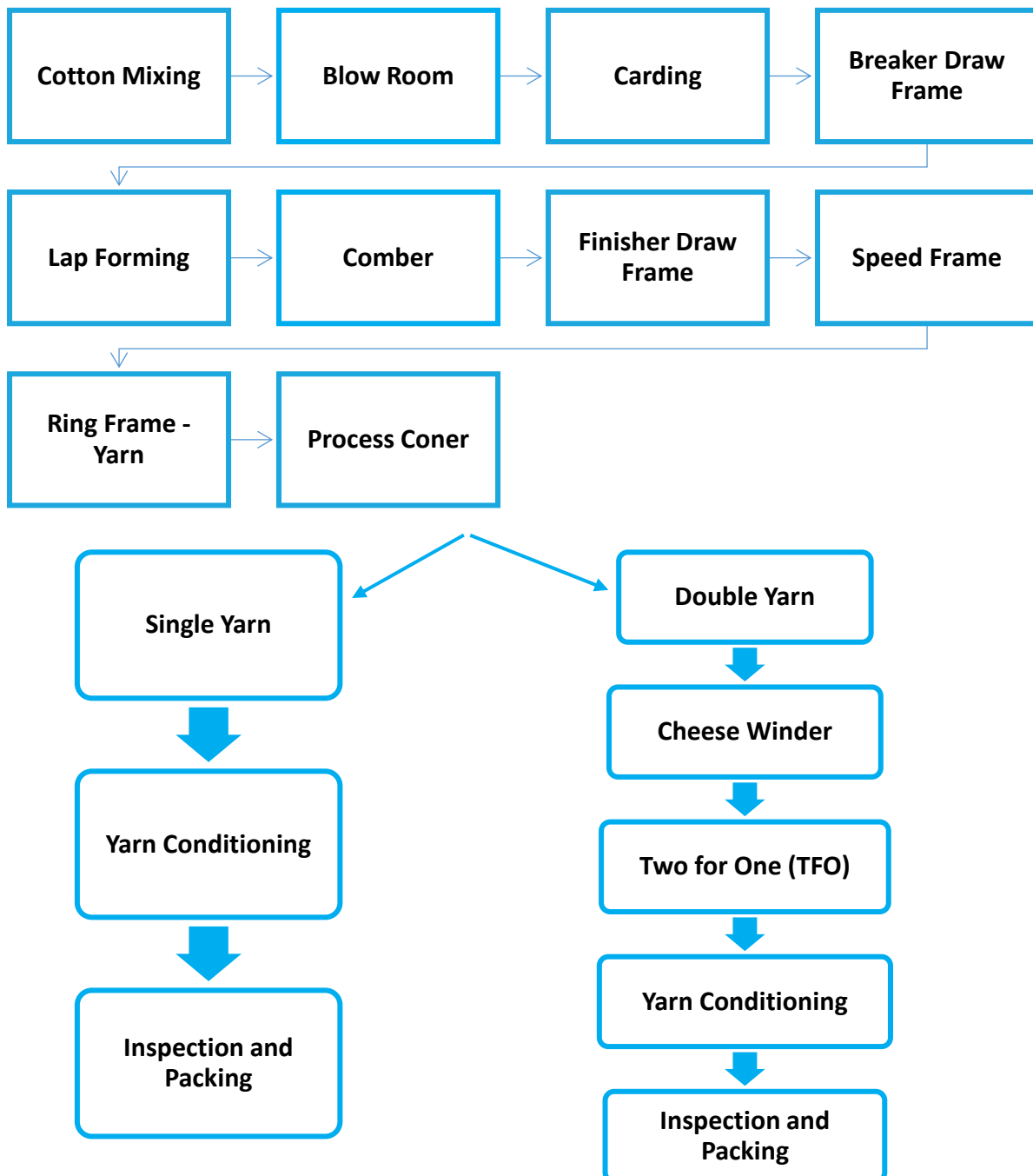
Manufacturing Process



A. Spinning Facility

Our Company undertakes two types of spinning processes, namely Ring Spinning System and Open-End Spinning System.

The manufacturing process involved in our ring spinning system has been broadly mentioned below:

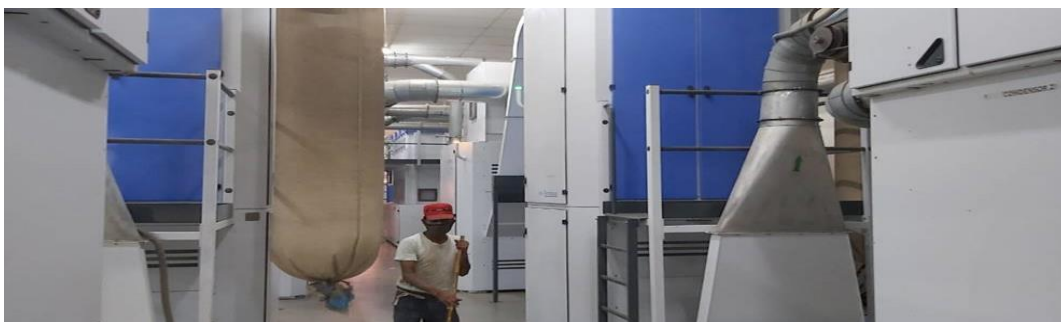


1. **Mixing (Bale Mixer):** Varieties of Cotton are mixed according to quality parameters to avail the best of the characteristics of different varieties and more importantly to average out the cost. The output of this process is opened fibers from Bale.



Bale Mixer

2. **Blow Room (Opening & Cleaning M/cs):** Sequence of opening and cleaning machinery are used for thorough opening of the cotton and to remove heavy trash and foreign materials. The output is opened and cleaned tufts of cotton.



Blow Room

3. **Carding (Carding M/c):** Thorough cleaning of cotton is done by individualization of fibers. Fine trash, Seed coats and short fibers are removed. The output is Sliver.



Carding Machine

4. **Drawing (Breaker Draw Frame):** Card Slivers are evened out by doubling and drafting process. The output is Evened Sliver.

5. **Lap Forming:** Some of the card slivers are sent for lap forming for comb yarn process while other card slivers are directly sent for finisher drawing for carded ring yarn process. No. of carded slivers are combined and material is formed in sheet form to feed to combers for combed yarn process. The output is Lap of determined length and weight.
6. **Combing (Combers):** Short fibers and neps are removed to add spin value and luster. The output is Combed Sliver.



Comber

7. **Finisher Drawing (Auto-leveler Draw Frame):** Number of Combed Slivers are combined and drafted to get uniform sliver through electronic measuring and leveling. The output is Sliver.
8. **Roving (Speed Frame):** Sliver is drafted to determined level, twisted and roving thus formed is wound on bobbins. The output is Roving Bobbin.
9. **Spinning (Ring Frame):** Roving material is drafted, twisted and the yarn thus formed is wound on bobbins. The output is Cops of Carded Yarn from sliver directly sent for finisher drawing and Cops of Combed Yarn from sliver sent for lap forming.



Ring Frame

Spinning Lab to test day to cotton quality & yarn quality according to standard norms.



Spinning Lab

10. **Process Coner:** The yarn from Ring Frame cops is wound on large package of weight as per end use. During winding, yarn faults are removed by electronic yarn clearers as per the set value. The output is Cones.



Cone Winder

11. **Yarn Conditioning:** This machine is equipped with heating and steam generating unit to condition yarn for better performance (such as strength, serviceability, luster, handle etc. The output is conditioned yarn.



Yarn Conditioning Machine

12. **Cheese Winder:** Conversion of single yarn as input in to 2 ply yarn & output is Parallel double yarn in cheese form.



Cheese Winder

13. **Two for One (TFO):** Parallel wind 2 ply yarn feeding in machine as input & delivered yarn is TFO (Two for one) twisted yarn.



Two for One (TFO) Twister



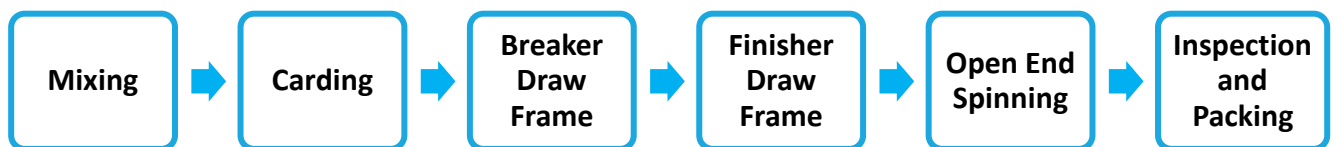
Fusion Twister

14. **Inspection and Packing (Manual / Mechanical):** Cones are inspected manually as well as by machines and then are packed in Bags (or) Cartons (or) Pallets to scatter to Domestic (or) Export markets. The output is Packages of determined weight.



Yarn Godown

The manufacturing process involved in our open-end spinning system has been broadly mentioned below:



1. **Mixing (Bale Mixer):** Varieties of Cotton are mixed according to quality parameters to avail the best of the characteristics of different varieties and more importantly to average out the cost. The output of this process is opened fiber from Bale.
2. **Blow Room (Opening & Cleaning M/cs):** Sequence of opening and cleaning machinery are used for thorough opening of the cotton and to remove heavy trash and foreign materials. The output is opened and cleaned tufts of cotton.
3. **Carding (Carding M/c):** Thorough cleaning of cotton is done by individualization of fibers. Fine trash, Seed coats and short fibers are removed. The output is Sliver.
4. **Drawing (Breaker Draw Frame):** Card Slivers are evened out by doubling and drafting process. The output is Evened Sliver.
5. **Finisher Drawing (Auto-leveler Draw Frame):** Number of slivers are combined and drafted to get uniform sliver through electronic measuring and leveling. The output is Sliver.
6. **Spinning (Open End):** This machine is equipped with opening roller, rotor & winding unit and used to spin yarn by draw frame sliver in following steps:
 - (a) opening/ cleaning of fibers
 - (b)twisting
 - (c)winding

The output is cheese.

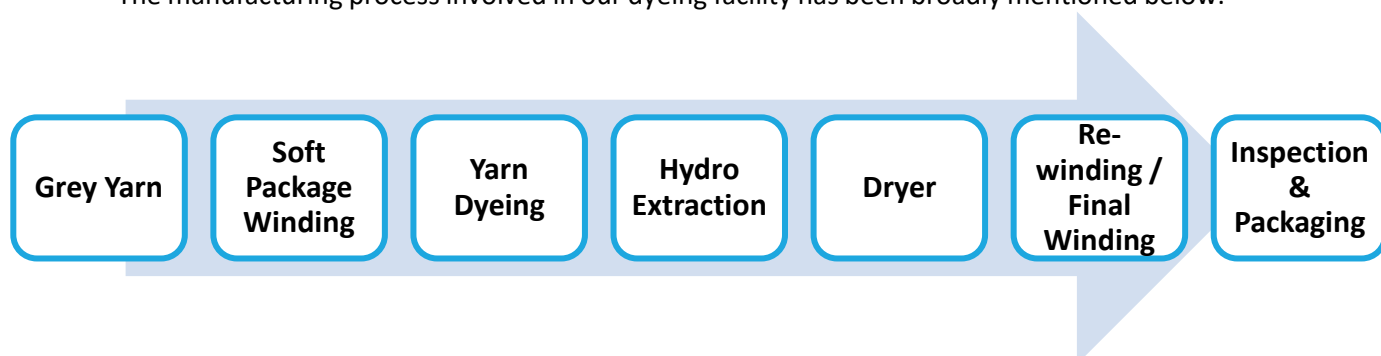


Rotor

7. **Inspection and Packing (Manual / Mechanical):** Cones and cheese are inspected manually as well as by machines and then are packed in Bags (or) Cartons (or) Pallets to scatter to Domestic (or) Export markets. The output is Packages of determined weight.

B. Yarn Dyeing

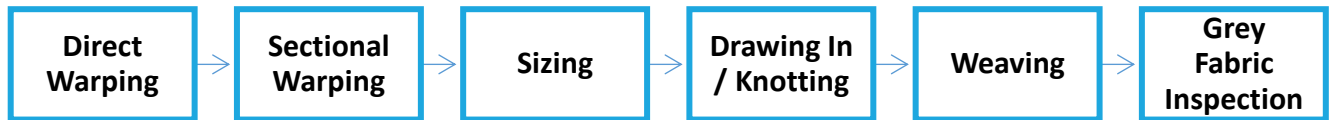
The manufacturing process involved in our dyeing facility has been broadly mentioned below:



1. **Soft Package Winding (Soft Package Winder M/c):** Yarns are transferred from paper cone to plastic tube or spring tube to facilitate the dyeing process. The output of this process is soft packages in plastic cylindrical tubes/spring cylindrical tubes.
2. **Yarn Dyeing (Packaged Dyeing M/c's):** Yarn dyeing happens in cone form in package dyeing. Package dyeing is a method where yarns are dyed onto perforated carrier placed in a dye vessel. The output is wet dyed yarn packages.
3. **Hydro Extraction (Hydro Extractor):** The wet dyed packages are hydro extracted to remove the maximum amount of water. The output is hydro extracted dyed yarn.
4. **Drying (Dryer):** After hydro extraction the packages are sent to a dryer to remove the remaining water content in the packaged yarn. The output is dry dyed cone of yarn.
5. **Re-Winding / Final Winding (Cone Winding M/c):** At this stage the dry dyed yarn packages are transferred from plastic tube or spring tube to cone form. The output is dyed yarn ready for weaving/knitting.

C. Weaving

The manufacturing process involved in our weaving facility has been broadly mentioned below:



1. **Direct Warping (Direct Warping M/cs):** The single or one-ply yarns are sent for direct warping wherein they are transferred from the creel of single-end yarn packages directly to a beam in a one step process. The output is yarn on warper beam.



Warping

2. **Sectional Warping (Sectional Warping M/cs):** Other yarns are sent for sectional warping wherein the warp yarns are organized into yarn bands (sections), each having the same warp density as for the weaver's beam. The warp yarns are wound onto the drum band by band until all yarns are wound onto the drum. Then, the yarn sheet is transferred from the drum onto the weaver's beams. The output is yarn on weaver's beam.



Sectional Warping Machine

3. **Sizing (Warp Sizing M/cs):** A protective coating is given to the warp yarn to minimize yarn breakage during weaving. The output is yarn on sized weaver's beam.
4. **Drawing In / Knotting (Manually / Automatic Warp Knotting Machine):** Drawing-in process is applied for execution of new fabric design on the loom. When the fabric design is repeated regularly, then instead of drawing in process, the knotting process is applied to change a weaver's beam. The ends of exhausted weaver's beam are joined with the ends of new weaver's beam.
5. **Weaving (Dobby Looms and Jacquard Looms):** The lengthwise or longitudinal warp yarns are held stationary in tension on a frame or loom while the transverse weft is drawn through and inserted over and under the warp to make a woven structure. The output is cloth/towel doff.

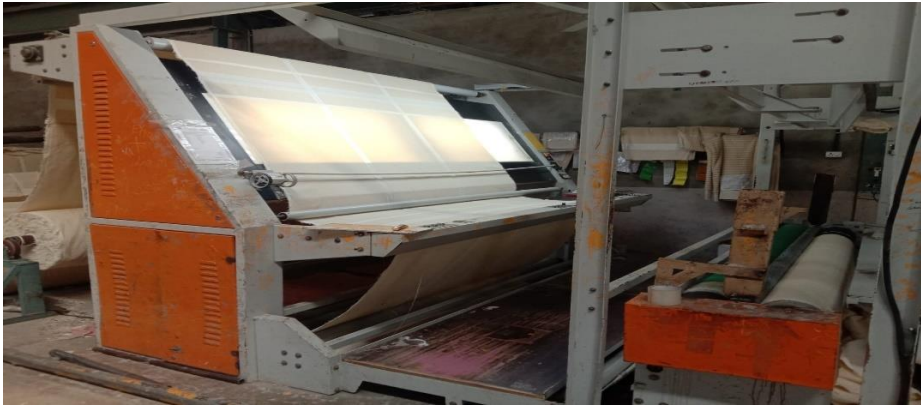


Dobby Looms



Jacquard Looms

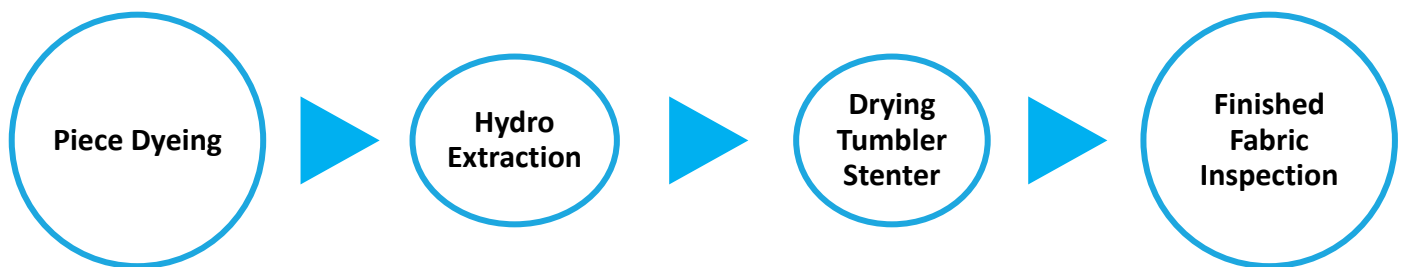
6. **Inspection (Manual / Mechanical):** Grey fabrics are inspected manually as well as by machines. The output is grey fabrics.



Fabric Inspection Machine

D. Processing

The process involved in our processing facility has been broadly mentioned below:



1. **Piece Dyeing:** A continuous length of dry grey fabric is run in rope form, called soft-flow machine where fabric & dye liquor is moving continuously & get even dyed wet fabric. Updated lab equipment's are used in dyeing lab to set the dye liquor receipt for proper shade matching with different shade range.



Dyeing Lab



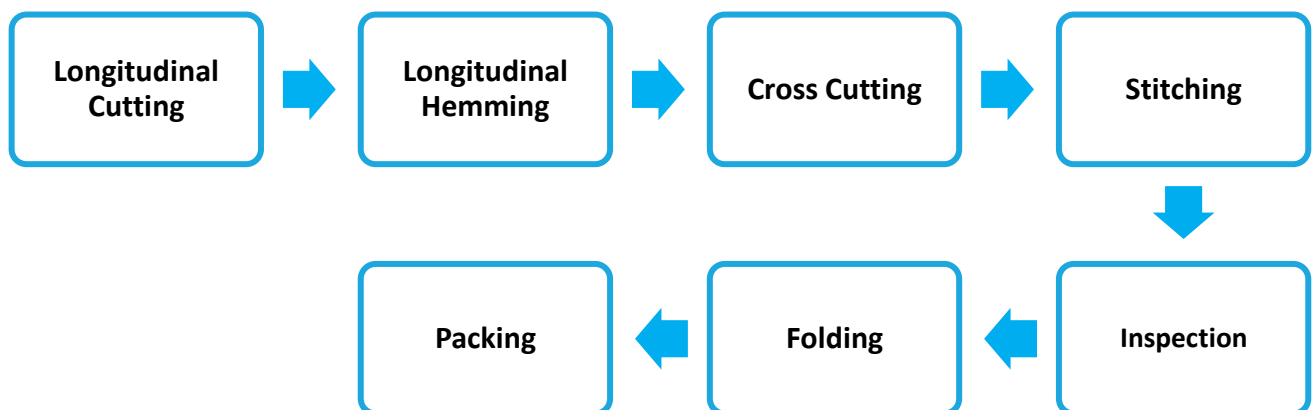
Dyeing Lab

2. **Hydro Extraction (Hydro Extractor):** The wet dyed fabric is hydro extracted to remove the maximum amount of water leaving the desired color into fabric. The output is hydro extracted dyed fabric.
3. **Drying (Tumbler):** Drying Tumbler is used for drying and heat treating the fabric after wet processing. The output is dyed dry fabric. Tumbling /drying Process is essential to produce luxurious towel with high bulk & good hand feel.



4. **Finished Fabric Inspection (Manual / Mechanical):** Dyed and dried fabrics are inspected manually as well as by machines. The output is finished dyed fabrics.
- E. **Cutting, Stitching and Packing (CSP)**

The process involved in our CSP facility has been broadly mentioned below:



1. **Longitudinal Cutting (Length Cutting Machine OTS /Schmale-durate):** The machine has a standard width of 360 cm with number of cutting heads as required. This is a standard machine applicable for all widths of terry fabric. The output is available in plaited form.



Length Cutting

2. **Longitudinal Hemming (Length Hemming Schmale):** Terry fabric length hemmer enables continuous hemming of terry towel fabric after it is slit by a length cutter. The machine is available in a standard width of 1.8 m. The machine is available with a label attachment.



Length Hemming

3. **Cross Cutting (Cross Cutter NPS/Schmale):** Semi-Automatic Cross Cutting Machine with Automatic Handling and Manual Cutting for Towels.



Cross Cutting

4. **Stitching:** The hems are folded and stitched. The labels / swing tickets are also attached in this process.



Cross Stitching Semi Auto

A lockstitch sewing machine uses two threads, one in the needle and the other in a bobbin. The motion of the needle and the hook correctly timed makes each stitch to be locked.



Stitching Single Needle Automatic Machine

An overlock sewing machine, or serge as it is commonly known, can trim, stitch, and overcast seams as they sew. They can also be used for applications such as inserting a zipper and creating beautiful decorations with certain stitches. The overlock can also be used to finish the edges of seams.



Over Lock Machine

Automatic tagging organizes and tags photos in the product catalog based on their characteristics, leveraging advanced Artificial Intelligence algorithms.



Automatic tag machine

5. **Inspection (Manual / Mechanical):** Towels are inspected manually as well as by machines.

A metal detector is an instrument that detects the presence of metal product.



Metal Detector

6. **Folding:** Towels are folded for final packaging.



Folding



Final Good before Packaging

7. **Packing:** Towels are packed in Bags (or) Cartons (or) Pallets to scatter to Domestic (or) Export markets. The output is packed towels.



Stretch warring



Hand Stiping Machine



Final Packed Goods



Quality Control at all levels of manufacturing process

The raw materials procured and the finished products manufactured are checked and inspected by the quality control facility to ensure that the desired quality is achieved. All the units have comprehensive testing facilities for assessing the quality parameters of raw-material/inputs, in process materials and finished goods. Corrective action, if any, is taken on the basis of the tests carried out to ensure that the final products adhere to the desired quality standards.

Design Development

There is a continuous process of conceptualization and development of design in as per the liking and changing trends of the end user's habits. Our design team continuously works to make innovative designs. This process is undertaken considering the tastes, trends, regions and habits of the target customers. Our Company is well equipped with an in-house design studio and team to prepare innovative designs for our customers. Sometimes, the designs are provided by our clients, including export clients along with the fabric specifications. After receiving the designs necessary modifications are made in our design studio and sent back with the fabric sample / paper sample. The manufacturing of the product commences once the sample is approved and confirmed. Our Company intends to gradually increase the scale of our designs.

Plant and Machinery

All our manufacturing units are equipped with various machinery, technology and equipment for the purpose of effectively carrying out our manufacturing process. Some of the important machineries installed in our plants are as given below*:

Plant and Machinery	Nos.
Air Jet Looms	102
Blowroom & Card	3 Line + 20 Cards
Bore-well	1
Draw Frame	12
Fabric Dyeing Machine	17
Fusion Twister	12
Jacquard Machine	16
Over Head Blower M/C	42
Process Coner	14
Ring Frame M/C	14
Rotor Spinning	1
Sewing Machine	88
Single Needle Lock Stitch Machine	20
Speed Frame	5
Transformer	6
Weaver Beam	96
Weighing Machine	22
Yarn Dyeing Machine	9
Others	-

*Pursuant to certificate issued by Statutory Auditor dated December 07, 2021.

Revenue Breakup

The gross revenue of the company and its breakup on the basis of restated standalone financials is as under*:

(₹ in Lakh)

Particulars	For the period ended on September 30, 2021		FY 2020-21		FY 2019-20		FY 2018-19	
	Amount	%	Amount	%	Amount	%	Amount	%
Manufacturing Sales (Towel and Toweling Products)								
- Domestic	19457.27	38.77	13087.44	24.30	10217.96	23.80	15485.59	48.07
- Exports	17330.15	34.54	25795.04	47.90	21866.22	50.92	14181.21	44.02
Manufacturing Sales (Yarn)								
- Domestic	6535.17	13.02	11398.26	21.17	9152.12	21.31	1011.38	3.14
- Exports	-	-	-	-	-	-	-	-
Manufacturing Sales (Woven Fabric)								
- Domestic	4522.31	9.01	-	-	-	-	-	-
- Exports	-	-	-	-	-	-	-	-
Export Incentives	2055.61	4.10	3161.95	5.87	1410.69	3.29	1336.55	4.15
Scrap Sales	280.67	0.56	409.74	0.76	289.8	0.68	-	-
Others (Sale of Services etc.)	-	-	-	-	1.83	0.00	201.86	0.63
Total	50181.18	100.00	53852.43	100.00	42938.62	100.00	32216.59	100.00

*Pursuant to certificate issued by Statutory Auditor dated December 07, 2021.

For further details, see the section titled “**Restated Financial Statements**” beginning on page 250 of this Draft Red Herring Prospectus.

Our Major Customers

We have a diversified customer base and have strong and established relationships with most of our customers. Our products have found place on retail spaces of reputed retailers & importers across the world.

The following is the revenue breakup of the top five and top ten customers of our Company for the period mentioned is as follows*:

(₹ in Lakh)

Particulars	For the period ended on September 30, 2021		F.Y. 2020 – 21		F.Y. 2019-20		F.Y. 2018 - 19	
	Amount	%	Amount	%	Amount	%	Amount	%
Top 5	21,612.92	44.91	17,312.12	34.15	14,966	36.03	10,635.77	34.43
Top 10	30,003.37	62.34	25,301.07	49.91	19,573.07	47.13	14,523.55	47.03

*Pursuant to certificate issued by Statutory Auditor dated December 07, 2021.

Utilities, Infrastructure & Logistics

Power

We consume a substantial amount of power and fuel for our business operations. Our power requirements at Dholi Unit I and Units III are met through connection from Uttar Gujarat Vij Company Limited for a maximum contracted demand of 3250 KVAH and 2900 KVAH respectively. Our power requirements at Piplej Unit are met through connection from Torrent Power Limited for a maximum contracted demand of 700 KW. We also receive power subsidy under the Gujarat Textile Policy – 2012.

Steam

Currently, at the Dholi Units, the Company procures steam from its Group Company Vishal Fabric Limited and at the Piplej Unit, the Company procures steam from Nandan Denim Limited. For Dholi Unit III, the Company also has one (1) steam generating Boiler with a capacity of two (2) Tonnes, which is capable of being used for generation of Power & Steam.

Water

The water is required in our manufacturing process and for human consumption. The Company has 1 bore-well at Piplej Unit to meet its water requirement. The Company also procures water from market and group companies. The Company also has two Reverse Osmosis Plants for treating the raw water.

Waste Disposal

The waste industrial water at Dholi Units is treated in common effluent treatment plant (ETP) of Dholi Spinning Park Limited and is recycled in the manufacturing process again, thereby achieving zero effluent discharge status. The waste domestic water is sent to common sewage treatment plant of Dholi Integrated Spinning Park Limited for treatment and further disposal. The waste industrial water at Piplej Units is conveyed to Chiripal Industries Limited for treatment and disposal.



Inventory Management

Our finished products and raw materials are mainly stored on-site at our Dholi Units. However, at times, the finished goods are managed and dispatched to the respective customers through Piplej Units also. The production of finished products is determined on the basis of a combination of confirmed and expected orders.

Logistics

We transport raw materials and finished products primarily by road in case of our domestic operations. Our suppliers directly deliver raw materials to our manufacturing facilities. We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the customer and Company. For our export operations, we primarily rely on sea-freight and carry such operations from Mundra and Nhava Sheva ports, which are nearest port to our facility. Our logistics team mainly operates from Ahmedabad.

Information Technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our customized enterprise resource planning software i.e., SAP S/4HANA Enterprise Management software for professional and functional use and HANA Cloud Platform (collectively the “**ERP Software**”) covers finance, sales, purchase and inventory, across all our manufacturing facilities. Our IT Infrastructure comprises of Deluxe 4 GB Gen3 VPS, Linux Operating System Gen3 VPS and Managed Services - Gen3 VPS (“**IT Infrastructure**”). Our facilities are connected to our ERP Software & IT Infrastructure that facilitates monitoring of our operations and management of supply chain. Our ERP & IT Infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and suppliers, and receivables from dealers. The ERP & IT department is placed in our corporate office in Ahmedabad, which manages all the software and hardware of our Company.

Repair and Maintenance

We conduct regular repair and maintenance programs for our manufacturing facilities. Our machinery and electrical repair teams carry out periodic maintenance and repair of the plants and machinery on an as-needed basis. In addition, our manufacturing facilities are periodically inspected by our engineers and technicians.

Quality Control

We place significant emphasis on quality control. We inspect the raw material, work-in-progress and final product. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory stage.

Capacity and Capacity Utilization

The following table sets forth certain information relating to our capacity utilization of all our manufacturing facilities, calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

S. No.	Plant Name	Financial Period	Product Name	Sub Division	Installed Capacity (In MT.)	Production Quantity (In MT.)	Capacity utilization In %
1.	Spinning Unit - Dholi Integrated Spinning Park, Dholi, Dholka	2018-19	Yarn	Total	15,695	9,749	62.11%
				Ring Frame	8,030	5,264	65.55%
				Open End	4,745	3,119	65.73%
				TFO	2,920	1,366	46.78%
		2019-20		Total	15,695	13,990	89.14%
				Ring Frame	8,030	7,694	95.81%
				Open End	4,745	4,336	91.38%
				TFO	2,920	1,960	67.12%
		2020-21		Total	15,695	14,215	90.57%
				Ring Frame	8,030	7,960	99.12%
				Open End	4,745	4,690	98.84%
				TFO	2,920	1,565	53.59%
		Apr. 2021-Sep. 2021		Total	7,847	7,141	91.00%
Ring Frame	4,110		4,034	97.68%			
Open End	2,400		2,313	97.15%			
TFO	1,337		796	62.05%			
2.	Weaving Unit - Dholi Integrated Spinning Park, Dholi, Dholka	2018-19	Grey Fabric	-----	12,650	7,012	55.43%
		2019-20		12,650	9,636	76.17%	
		2020-21		12,650	10,153	80.26%	
		Apr. 2021-Sep. 2021		6,325	5,833	92.22%	
3.	Process House – Saijpur	2018-19	Dyed Fabric	-----	12,650	6,986	55.22%
		2019-20		12,650	9,436	74.59%	
		2020-21		12,650	9,947	78.63%	
		Apr. 2021-Sep. 2021		6,325	5,729	90.59%	
4.	Yarn Dying Unit - Dholi Integrated Spinning Park, Dholi, Dholka	2018-19	Dyed Yarn	-----	3,500	1,507	43.05%
		2019-20		3,500	2,983	85.23%	
		2020-21		3,500	3,049	87.14%	
		Apr. 2021-Sep. 2021		1,750	1,567	89.58%	
5.	CSP Unit - Dholi Integrated Spinning Park, Dholi, Dholka	2018-19	Towel	-----	10,752	6,085	56.59%
		2019-20		10,752	6,952	64.65%	
		2020-21		10,752	7,413	68.94%	
		Apr. 2021-Sep. 2021		5,376	4,840	90.03%	

Pursuant to Chartered Engineer certificate issued by S. K. Patel, Chartered Engineer (F/014852/7) dated October 12, 2021.



MARKETING

We have a team of 30 members for marketing and sales dedicated towards supplying and marketing our products in the domestic and international markets. Our marketing team constantly monitors and scours the trends in the market and prepares and updates our product samples accordingly. We sell our products to business directly as well as through our agents. Our in-house team undertakes gap analysis, product mix analysis and competition analysis and makes options and sample for prospective buyers. Our Company's marketing department constantly interacts with its agents and customers so as to get the feedback on the quality of its products and improve the same as well.

COLLABORATIONS

As on date of this Draft Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements.

INSURANCE

Our operations are subject to various risks inherent in the towel manufacturing industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events, including: (i) industrial all risk policy; (ii) employees compensation insurance policy, (iii) marine export import insurance open policy, (iv) commercial general liability policy, (v) multi buyer exposure policy and other policies as required. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers all of our manufacturing facilities. In addition, the insurance companies regularly deploy its team for insurance surveys to help us identify insurable interests and mitigate future risks.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See the section titled "**Risk Factors**" beginning on page 38 of this Draft Red Herring Prospectus.

HUMAN RESOURCES

Our employees contribute significantly to our business operations. We require a significant amount manpower on our payroll as our processing facility though, technologically advanced, is labour intensive. As of October 31, 2021, we had 2037 full-time employees. We consider our employees to be assets of our organization and we are committed to building and nurturing our human capital.

The following table sets forth a breakdown of our employees as of October 31, 2021:

S. No.	Function	Number of Employees
1.	Top Management	8
2.	Accounts & Finance	30
3.	Administration	84
4.	Designing	28
5.	Repair & Maintenance	148
6.	Human Resource	26



S. No.	Function	Number of Employees
7.	Information Technology	8
8.	Sales & Marketing	30
9.	Production	1518
10.	Purchase	17
11.	Quality	77
12.	Stores & Warehouse	50
13.	Logistics	12
14.	Legal	1
	Total	2037

We also hire contract labour for our units, from time to time and as of October 31, 2021, we have engaged 439 contract labourers. We believe we have good relations with our employees.

COMPETITION

The industry in which we operate is highly competitive and fragmented. Competition emerges from small as well as big players in the textile and home furnishing industry. Our competition varies across various markets and geographical areas. We face competition from both domestic and international companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships.





Further, some of our current and potential competitors include large international companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have.

CORPORATE SOCIAL RESPONSIBILITY

We as a responsible corporate citizen are committed to take up projects, as part of our Corporate Social Responsibility (“CSR”) initiatives. In F.Y. 2021- 22, we have constituted CSR committee as per the applicable Act. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder.

INTELLECTUAL PROPERTY

Our Company has obtained registration and/or made applications for the registration of the following trademarks:

S.No.	Trademark	Class	Application Number	Date of Application	Status
1.		24	3604055	August 1, 2017	Registered
2.		24	4042931	January 1, 2019	Registered
3.		24	5095791	August 19, 2021	Objected
4.		23	5095790	August 19, 2021	Objected

Our current name and logo and some of our brand names are not yet registered as a trademark under the provisions of the Trademarks Act, 1999, for risks relating to the same, see ***“Risk Factors - If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected”*** on page 48 of this Draft Red Herring Prospectus.

PROPERTIES

The Company owns following properties on leasehold basis:

S. No.	Particulars of the property, location, description and area	Lease Deed	Lessor	Annual Lease Rent	Tenure / Term	Usage
1.	Survey No. 679, (old Survey no. 350) Dholi Integrated Spinning Park,	Lease Deed dated March 17, 2016 read with amendment	Dholi Integrated Spinning Park Limited	16,694/-	99 years	Manufacturing

S. No.	Particulars of the property, location, description and area	Lease Deed	Lessor	Annual Lease Rent	Tenure / Term	Usage
	Dholi, Dholka, Ahmedabad, Gujarat – 382240	dated May 27, 2016				
2.	Survey No. 642 (old Survey No. 353), Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad, Gujarat – 382240	Lease Deed dated July 05, 2017	Dholi Integrated Spinning Park Limited	7,000/-	99 years	Manufacturing
3.	Survey No. 635 (old Survey No. 357/A/5) and Survey No. 639 (old Survey No. 357/A/6) Dholi Integrated Spinning Park, Dholi, Dholka, Ahmedabad, Gujarat – 382240	September 21, 2015 read with amendment dated April 06, 2016 and May 27, 2016	Lessor – Dholi Integrated Spinning Park Limited	30,453/-	99 years	Manufacturing
4.	Survey No. 680 (old Survey No. 357/A/2, Dholi Integrated Spinning Park Ltd. in the Slum of Village, Rupgarh, Taluka, Dholka, Ahmedabad, Gujarat	Lease Deed dated October 23, 2015 read with amendment deed dated May 27, 2016	Dholi Integrated Spinning Park Limited	12798.5/-	99 years	Open Land*
5.	Survey No. 185/1 of T.P.S. No 125, Saijpur - Gopalpur, Pirana Road, Vatva, Ahmedabad, Gujarat - 382405	July 5, 2016	Vedprakash Devkinandan, Jyotiprasad Devkinandan, Jaiprakash Devkinandan, Brijmohan Devkinandan	1,00,000/-	99 years	Manufacturing

*Currently, no manufacturing activity is being carried on Survey No. 680 (old Survey No. 357/A/2)

The Company has taken following properties on license basis:

S. No.	Particulars of the property, location, description and area	License Deed	Licensor	Annual License Fees	Tenure / Term	Usage
1.	109 Peninsula Center, Doctor SS Rao Road, Parel, Mumbai - 400012	August 10, 2021	Shanti Educational Initiatives Limited	6,00,000/-	April 01, 2021 to March 31, 2023	Office Premises
2.	Shanti Corporate House, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058	September 20, 2021	Mr. Brijmohan Chiripal	12,00,000/-	April 01, 2021 to March 31, 2022	Office Premises

KEY REGULATIONS AND POLICIES

The indicative summary detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice.

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.

INDUSTRY-SPECIFIC LEGISLATIONS APPLICABLE TO OUR COMPANY

Technology Up-Gradation Fund Scheme

Ministry of Textiles has been implementing Technology Upgradation Funds Scheme (“**TUFS**”) since 1999 to facilitate technology upgradation of textiles industry in the country. TUFS aims at making available funds to the domestic textile industry of existing units as well as to set up new units with state-of-the-art technology so that its viability and comprehensiveness in the domestic as well as international markets may enhance. TUFS provides for interest reimbursement/capital subsidy/margin money subsidy and has been devised to bridge the gap between the cost of interest and the capital component to ease up the working capital requirement and to reduce the transaction cost, etc. TUFS is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets, through technology upgradation, cost effectiveness, quality production, efficiency and global competitiveness.

National Textile Policy, 2000

The National Textile Policy, 2000 (“**NTP 2000**”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing and to equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market. NTP 2000 aims at developing a strong and vibrant textile industry that can produce quality products at acceptable prices. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 includes increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include initiatives regarding improving the availability, productivity and quality of raw materials at reasonable prices for the industry, improving the production, productivity and quality of cotton. Initiatives were also proposed for the spinning sector, weaving sector, organised mill industries, powerloom industry, knitting sector, processing and finishing sector for achieving ISO 9000 and ISO 14000 standards. Export specific reforms were also proposed in order to be consistent with World Trade Organization norms.

Ministry of Textiles is contemplating a New Textile Policy which has not been finalized and it is at draft stage. The New Textile Policy, *inter alia*, will give thrust on enhancing export performance and creating better employment opportunities. The New Textile Policy is being formulated by holding widespread consultations with various associations, industry bodies, State Governments and other stakeholders

representing subsectors viz. Cotton, Silk, Jute Wool, Handloom, Handicrafts, Powerloom etc.

Gujarat Textile Policy, 2012 (Integrated Approach to Strengthen the Value Chain for the 5 Fs – Farm, Fibre, Fabric, Fashion and Foreign)

The State of Gujarat introduced the Gujarat Textile Policy, 2012 with an aim to enhance the growth of cotton farmer by way of better price realization and enable them to withstand the uncertain and price fluctuation of cotton, both in domestic and international market in one hand and to strengthen the entire value chain for the growth and development of textile sector in Gujarat by working on the 5 Fs - Farm, Fibre, Fabric, Fashion (garment) and Foreign (export) on the other hand. Eligible entities will be provided various incentives under the different schemes under the policy. Major schemes under the policy are as follows:

- **Interest Subsidy Scheme:**

A maximum interest subsidy of 5% (7% on spinning unit and garment/made-ups unit spinning) has been provided on new plant and machinery, without ceiling, for weaving, knitting, machine carpeting and other textile related activities, also on second hand imported weaving (power loom) with certain conditions, for the period of 5 years. Interest subsidy of 5% on new plant and machinery, without ceiling, for weaving, knitting, machine carpeting and other textile related activities, also on second hand imported weaving (power loom) with certain conditions, for the period of 5 years.

- **Special Concession in Power tariff:**

Power Tariff subsidy of @ ₹ 1 per unit in the billed amount of the utility for the units available for a period of 5 years as promotional initiative for cotton spinning and industries with or without preparatory in State of Gujarat.

- **VAT Concession:**

Eligible units will also be entitled to refund of VAT paid on purchase of raw materials and remission of VAT/CST collected on final/intermediate product within entire value chain to the extent of 100% the eligible fixed capital investments in plant and machinery within 1 year (2 years in case pf investment of more than ₹50000 lacs).

- **Support to Technical Textiles:**

Eligible entities will be provided a maximum interest subsidy @ 6% per annum for a period of 5 years.

- **Assistance for Energy and Water Conservation and Environment Compliances:**

Under the scheme assistance of 20 % of cost of equipment, maximum up to ₹30 lacs; which will be applicable separately in each case of Energy Conservation, Water Conservation and Environment Compliance. Assistance of 50% of the fee paid towards Energy Audit, up to maximum ₹ 50,000, which will be applicable separately in each case of audit. This scheme will only be eligible for an existing enterprise for a period of more than 3 years.

- **Assistance for Technology Acquisition and Upgradation:**

The enterprise acquiring technology will be provided financial assistance of up to 50% of the investment for technology acquisition / collaboration, with maximum of ₹25 lacs per process/product, once during operative period of the scheme.

- **Assistance to Apparel Training Institutions and Trainees**

Under this scheme, financial assistance as reimbursement of training cost with maximum limit of ₹7000 per trainer per week will be provided to apparel training institutions/centers approved by state level committees for imparting training to the trainer at 100% in case of trainers attending autonomous institutions promoted by government or public sector undertaking and at 50% in case of trainers attending other institutions. The training period should not exceed 4 weeks.

- **Training Support to Power Loom Sector**

Under this scheme the trainees of power loom will be given a stipend of ₹2500 per month for a period of 3 months. Allowances towards cost of transport and incidental expenses to weavers @ ₹200 per day for a duration of 2 days and to jobbers @ ₹300 per day for a duration of 6 days will be given

- **Scheme for Integrated Textile Parks**

Incentives are provided for setting up of Textile and Apparel Park in the state of Gujarat with a provision for location of minimum 20 numbers of manufacturing / service enterprises (minimum 10 for spinning unit). The Park will be provided financial assistance of up to 50% with maximum limit of ₹1000 lacs (₹3000 lacs for spinning park) of total project cost for establishing common infrastructure facilities, excluding land cost.

Gujarat Industrial Policy, 2020

Gujarat Industrial Policy, 2020 has been introduced to create an enabling business environment facilitated by a single window system, to enable industries to set high quality standards and enhance exports to have a focused approach for industrially underdeveloped areas and facilitate inclusive and balanced regional growth, to promote industries focusing to adopt sustainable, cleaner manufacturing and innovative Industry practices, to strengthen MSMEs and facilitate cluster development, and to strengthen complete value chain across product segment with focus on the objective of an “Atmanirbhar Bharat”. The Gujarat Industrial Policy, 2020 aims to establish a business environment facilitated by a single window system to encourage industries to set high quality standards, facilitates inclusive and balanced regional growth, sustainable manufacturing and innovative industry practices. Additionally, the policy intends to strengthen MSME’s and complete value chain across product segment with an objective of “Atmanirbhar Bharat”. Further, it strengthens R&D, innovation and entrepreneurship, provide increased impetus to certain Thrust Sectors with significant potential for employment, exports, investments etc. and facilitates growth of service sector industries in the State.

The policy provides various measures have undertaken various measures and regulatory reforms to enhance ease of doing business in Gujarat State. It aims to facilitate a process for the speedy issuance of various licenses, clearances and certificates required for setting up a business unit.

This policy shall be valid for a period of 5 years from August 7, 2020.

Textiles Committee Act, 1963

The Textiles Committee Act, 1963 (“TCS”) came into force on August 22, 1964. A textiles committee (“Textiles Committees”) has been established under TCS with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee’s functions include, among



others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textiles Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under TCS.

Textile (Development and Regulation) Order, 2001

The Textile (Development and Regulation) Order, 2001 (“**Textile Order**”) was brought into force by the Central Government under Section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade Marks Act, 1999, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or tradename.

Cotton Control Order, 1986

The Cotton (Control) Order, 1986 (“**Cotton Order**”) prescribes the maximum quantity of cotton that may be possessed by a manufacturer, a cotton ginning factory, a cotton pressing factory, a cotton ginning and pressing factory and a person (other than a member of a Hindu Undivided Family growing cotton). The Cotton Order establishes the office of the Textile Commissioner as the regulatory body. The Cotton Order further specifies the quality standards that have to be met while picking cotton for the purposes of export and domestic consumption as well as the markings that have to be made on the cotton bale before marketing of the same.

EMPLOYMENT AND LABOUR LAW LEGISLATIONS

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of employment labour laws which is be applicable to our Company due to the nature of our business activities:

Factories Act, 1948

The term ‘*factory*’, as defined under the Factories Act, 1948 (“**Factories Act**”) includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. Respective State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the ‘*occupier*’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “*occupier*” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction,



training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Employees' Compensation Act, 1923

The Employees Compensation Act, 1923 (“**EC Act**”) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/ obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within 7 days of death/ serious bodily injury.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”) is applicable to factories and establishment employing more than 20 employees, subject notification by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act frames the Employees Provident Scheme, 1952.

Employees' State Insurance Act, 1948

The Employees' State Insurance Act, 1948 (“**ESI Act**”) an act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under ESI Act. The ESI Act requires all the employees of the establishments to which the ESI Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**POSH Act**”) was enacted by the Indian Parliament to provide protection against sexual harassment of women at workplace and prevention and redressal of complaints of sexual harassment and for matters connected therewith. The POSH Act makes it mandatory for every organisations to frame an anti-sexual harassment policy. Further an organisations having 10 or more employees is required to constitute an Internal Complaints Committee to entertain complaints that may be made by an

aggrieved woman. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All establishments have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Gujarat Labour Welfare Fund Act, 1953

The Gujarat Labour Welfare Fund Act, 1953 (“**Welfare Fund Act**”) read along with Labour Welfare Fund (Gujarat) Rules, 1962 (formed in accordance with Section 19 of the Bombay Labour Welfare Fund Act, 1953)(“**Welfare Fund Rules**”) provides for the constitution of a fund comprising of all fines realized from employees, all unpaid accumulations, any contribution paid under Section 6B, any interest paid under Section 6C, any voluntary donations, any fund transferred under Section 7(5), any sum borrowed under Section 8, any loan, grant-in-aid or subsidy paid by the State Government or any local authority or statutory corporation, all sums received in any other manner or from any other source. Section 6B of the Welfare Fund Act provides for employers’ contribution at the rate of six rupees every six months, for each employee and employees’ contribution at the rate of three rupees every six months, for each employee. Further, as per the Welfare Fund Act, read with Rule 3AA of the Welfare Fund Rules made thereunder provide for an establishment register to be maintained.

In addition to the abovementioned labour laws, following labour related legislations are also applicable to our Company:

- The Apprentices Act, 1961;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986.

In order to rationalize and reform all labour laws in India, the Indian Government has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, which are as follows:

Code on Wages, 2019

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

ENVIRONMENTAL LAWS

Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 ("EPA") has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or



discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (“**Water Act**”) aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Water (Prevention and Control of pollution) Cess Act, 1977

The Water (Prevention and Control of pollution) Cess Act, 1977 (“**Water Cess Act**”) lays down levy and collection of cess for the purpose of the Water Act. Further, the Central Government is also empowered to exempt the levy of water cess under the Water Cess Act. The Central Government shall take into consideration nature of raw materials, effluents, source of water extraction, nature of effluent receiving bodies and production data. Schedule II of the Water Cess Act gives details regarding purpose for which water is consumed in different industries.

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”) aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the relevant state pollution control board. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“**Hazardous Waste Rules**”) regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “*hazardous waste*” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “*occupier*”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (“**PLI Act**”) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the PLI Act has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the PLI Act. The rules made under the PLI Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

In addition to the above-mentioned environmental laws, there are other environmental laws which may be applicable to our Company as per the nature of the business activities carried-out by us.

INTELLECTUAL PROPERTY LAWS

Trademarks Act, 1999

The Trademarks Act, 1999 (“**Trademarks Act**”) governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. As per the provisions of the Trademarks Act, an application for trademark registration may be made with the relevant Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trademarks Act. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

Patents Act, 1970

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period of 20 years, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Designs Act, 2000

The Designs Act, 2000 (“**Designs Act**”) protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of

pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. The Design Act provides an exclusive right to apply a design to any article in any class in which the design is registered.

IMPORT-EXPORT RELATED LAWS

Rebate of State and Central Taxes and Levies

The Rebate of State and Central Taxes and Levies on Export of Apparel/ garments and Made-ups (“**RoSCTL Scheme**”), in accordance with the recognized international economic principle of zero rating of export products, provides for rebate of State and Central Taxes and Levies in addition to the Duty Drawback Scheme, on export of apparel/ garments and Made-ups at notified rates. Government has decided to continue the RoSCTL Scheme w.e.f. 01st January 2021 to 31st March 2024. Rebate of Taxes and Levies comprises of VAT & central excise duty on fuel used in transportation, captive power, farm sector, mandi tax, duty of electricity, stamp duty on export documents, embedded GST paid on inputs such as pesticides, fertilizers etc. used in production of raw cotton, purchases from unregistered dealers, coal used in production of electricity and inputs for transport sector. The rebate under the RoSCTL Scheme is available in the form of duty credit scrips which can be used for payment of Basic Customs Duty on import of goods.

Export Promotion Capital Goods Scheme

The Export Promotion Capital Goods Scheme (“**EPCG Scheme**”) has been introduced to facilitate import of capital goods for producing quality goods and services to enhance India’s export competitiveness. EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. EPCG Scheme also covers a service provider who is designated / certified as a Common Service Provider by the Directorate General of Foreign Trade (“**DGFT**”).

Advance Authorization Scheme

Advance Authorization Scheme is a duty exemption scheme issued to allow duty free import of inputs, which are physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, energy, catalysts which are consumed / utilized to obtain export product, may also be allowed. The DGFT, by means of Public Notice, may exclude any product(s) from the purview of Advance Authorization. Advance Authorizations are exempted from payment of basic customs duty, additional customs duty, education cess, antidumping duty and safeguard duty, if any. The facility of Advance Authorization shall also be available where some or all inputs are supplied free of cost to exporter by foreign buyer.

Duty Entitlement Passbook Scheme

The Duty Entitlement Passbook Scheme (“**DEPB**”) is a duty remission scheme enabling post export replenishment / remission of duty on inputs used in export products. The objective of DEPB is to neutralize the incidence of customs duty on import content of export product. Component of Special Additional Duty and customs duty on fuel shall also be allowed under DEPB (as a brand rate) in case of non-availing of CENVAT credit. The neutralization shall be provided by way of grant of duty credit against the export product. An exporter may apply for credit, at a specified percentage of Freight on Board value of exports, made in freely convertible currency or payment made from foreign currency

account of SEZ unit / SEZ Developer in case of supply by DTA. Credit shall be available against such export products and at such rates as may be specified by DGFT by way of public notice. Credit may be utilized for payment of Customs Duty on freely importable items. The DEPB holder shall have the option to pay additional customs duty in cash as well. DEPB credit rates have been prescribed for textiles and clothing products. The scheme aims to neutralize the incident of basic and special custom duty on the import content of the export product, by way of grant of duty credit against the export product at specified rates.

FOREIGN TRADE AND INVESTMENT LAWS

Foreign Trade (Regulation and Development) Act, 1992

The Foreign Trade (Regulation and Development) Act, 1992 (“**FTA**”) is the main legislation concerning foreign trade in India. FTA read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2021-2026 prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number (“**IEC**”) granted by DGFT. Hence, every entity in India engaged in any activity involving import or export is required to obtain an IEC unless specifically exempted from doing so. IEC shall be valid until it is cancelled by the issuing authority. IEC allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain IEC shall attract penalty under the FTA.

The Foreign Exchange Management Act, 1999

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEM Rules**”) and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment in India has now been entrusted to the concerned administrative ministries/departments.

The aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the concerned administrative ministries/departments.

TAXATION LAWS

The Customs Act, 1962

All the provisions relating to customs applicable on import/export of goods in/from India are consolidated under the Indian Customs Act, 1962. Customs duties are levied on the goods at the rates specified in the Schedules of the Customs Tariff Act, 1975. The Taxable event is import into or export from India. Export duties (Second Schedule) are levied at present on a limited number of items but import duties are levied at present on almost all items except few. The said Act also provides for valuation of imported goods and export goods along with assessment procedure for proper implementation of the provisions.

Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976. And The Gujarat State Tax on Professions Traders, Callings and Employments Rules, 1976

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of 'dealer' defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than ₹ 2.50 lakh, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlors, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc. are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisations. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager of agent of the employer.

Central Goods and Services Tax Act, 2017 ("CGST Act"); Integrated Goods and Services Tax Act, 2017 ("IGST Act"); and the various State Goods and Services Acts (collectively "SGST Acts")

The Goods and Services Tax (GST) has replaced various erstwhile taxes levied and collected by the Central and State Government like central excise duty, service tax, State VAT, central sales tax, luxury tax etc. GST is applicable on the supply of goods or services as against the earlier concept of excise duty on the manufacture and VAT/CST on sale of goods or Service Tax on provision of services. It is a consumption-based tax. GST is levied by the Centre on intra-State supply of goods and/or services is called the Central GST and that is levied by the States is called the State GST. An Integrated GST under the IGST Act, is levied and collected by the Centre on inter-State supply of goods and services.

As GST is levied on every level of supply chain, thus, to remove cascading effect tax payers are allowed to take credit of taxes paid on inputs and utilise the same for payment of output tax payable on supply of goods or services as per the applicable provisions.

Income Tax Laws

The Income Tax Act, 1961 ("**IT Act**") which *inter alia* governs the income tax on different categories of income accrued and received by an Indian company. An Indian company is taxed on its universal



income. As per the provisions of the IT Act, the income tax is paid by the companies registered in India on the net profit that it makes from businesses and other incomes. It is taxed at a specific rate as prescribed by the IT Act, subject to the changes in the rates announced, if any, every year.

OTHER APPLICABLE LAWS

The Companies Act, 2013

In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 2013 ("**Companies Act**") is a principal law regulating the rights and duties of a company incorporated in India. An Indian company is under an obligation to undertake several compliances mentioned under the Companies Act.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, remuneration of directors, meetings of directors and shareholders, declaration of dividend, the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies.

Competition Act, 2002

The Competition Act, 2002 ("**Competition Act**") is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Competition Act deals with prohibition of (i) certain agreements such as anti-competitive agreements; and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The Competition Commission of India ("**CCI**") is the market regulator in India established in accordance with the provisions of the Competition Act. The prima facie duty of CCI is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. Further, any combinations, such as merger, amalgamation, acquisition or similar arrangement, which meet a certain asset/turnover threshold as prescribed in the Competition Act mandates CCI approval which involves complex filing requirements. CCI has extra territorial jurisdiction, to investigate, order inquiry and pass order, in respect of the acts taken place outside India which has or may have appreciable adverse effect in India.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019 ("**COPRA, 2019**") has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. In order to address the consumer disputes' redressal mechanism, it provides a mechanism (three tier consumer redressal mechanism at national, state and

district levels) for the consumers to file a complaint against a trader or service provider. COPRA, 2019 provides for penalty for, among others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The scope of the punitive restraint measures employed by the act include both – monetary penalties for amounts as high as ₹ 50 lakh to imprisonment which may extend to life sentences, for distinct offences under COPRA, 2019.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992 the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the 12th Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Electricity Act, 2003

The Electricity Act, 2003 (“**Electricity Act**”) consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (“**LM Act**”) seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the license under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act.



HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as **Nandan Terry Private Limited**, a private limited company, at Mumbai under the provisions of the Companies Act, 2013 on January 27, 2015 and was granted the certificate of incorporation by the Registrar of Companies, Mumbai at Maharashtra (“**ROC**”).

Subsequently, the name of the company was changed to **Nandan Terry Limited** pursuant to a special resolution passed by the shareholders of the Company in their general meeting held on July 30, 2021, and a fresh certificate of incorporation dated August 12, 2021 was issued by the ROC consequent upon change of name and conversion into public limited company under the provisions of the Companies Act, 2013.

CHANGES IN THE REGISTERED OFFICE

There has been no change in the registered office of our Company since the date of Incorporation. Though the members of the Company had granted approval, subject to the approval of Central Government or such other regulatory authorities as may be required, to shift the registered office of our Company from the state of Maharashtra to the state of Gujarat; the Company didn't pursue this further and the matter was dropped.

The Board of Directors of the Company *vide* board resolution passed in the meeting of the Board of Directors dated June 22, 2020 had decided to maintain the books of accounts of the Company at Shanti Corporate House, Beside Hirarupa Hall Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad 380058, Gujarat.

MAIN OBJECTS OF OUR COMPANY

The main objects contained in our Memorandum of Association are as follows:

To carry on business of preparing, processing, spinning, doubling, weaving, combing, securing, sizing, bleaching, working and trading, processing, re-processing, converting, researching, developing, refining, preparing, blending, purifying, piping, dyeing, producing, manufacturing in any way whatever, cotton, wool, silk, flay, linen, hemp, jute, artificial silk, rayon, nylon, terry fabric, pile fabric, jacquard, dobby, toweling fabric and other fibrous or textile substance whether natural or synthetic and to carry on as exporter, in all kinds and description of terry fabric, pile fabric, terry towels, toweling fabric, toweling material and toweling garments, terry products, bath robes, terry cloth, shearing cloth and derivatives, readymade garments, cushions, pillows, mattresses, makers, tailors, outfitters, costumers, uniform makers, mantle and dressmakers, makers of sports apparel and knitwear, clothiers, hosiers, milliners, hatlers, glovers, furners, fashion artists, dress agents, embroiders, lacs makers, drapers, upholsterers, furnishers and manufacturers of fabrics of allied and woven fabrics, warp knits and process dyes, by-products, intermediates and mixtures thereof.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Set out below are the amendments to our Memorandum of Associations since incorporations:

Date of Shareholders' Resolution/Effective date	Details of the modifications
July 01, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in our authorised share capital from Rs. 20,00,00,000/- (Rupees Twenty Crore only) divided into 2,00,00,000 (Two crore) Equity shares of Rs. 10/- each into Rs. 70,00,00,000/- (Rupees Seventy Crore) divided into 7,00,00,000 (Seven crores) Equity shares of Rs.10/- each
August 17, 2015	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in our authorised share capital from Rs. 50,000,000/- (Rupees five crore only) comprising of 5,00,000(Fifty lakh) Equity shares of Rs. 10/- each to Rs. 200,000,000/- (Rupees Twenty crore only) comprising of 20,000,000 (Two crore) Equity shares of Rs. 10/- each.
June 08, 2015	<p>Clause III(A) of the Memorandum of Association was amended to alter the Object Clause of our Company and replacing the earlier clause with the below mentioned clause:</p> <p>To carry on business of, preparing, processing, spinning, doubling, weaving, combing, securing, sizing, bleaching, working and trading, processing, re-processing, converting, researching, developing, refining, preparing, blending, purifying, piping, dyeing, producing, manufacturing in any way whatever, cotton, wool, silk, flay, linen, hemp, jute, artificial, silk, rayon, nylon, terry fabric, pile fabric, terry towels, towelling fabrics and other fibrous or textile substance whether natural or synthetic and to carry on as exporter, in all kinds and description of terry fabric, pile fabric, terry towels, towelling fabric, towelling material and towelling garments, terry products, bath robes, terry cloth, shearing cloth and derivatives, readymade garments, cushions, pillows, mattresses, makers, tailers, outfitters, costumers, uniform makers, mantle and dressmakers, makers of sports apparel and knitwear, clothiers, hosiers, milliners, hatlers, glovers, furners, fashion artists, dress agents, embroiders, lacs makers, drapers, upholsterers, furnishers and manufacturers of fabrics of allied and woven fabrics, warp knits and process dyes, by-products, intermediates and mixtures thereof.</p>
March 26, 2015	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in our authorised share capital from Rs. 1,00,000/- (Rupees One lakh only) divided into 10,000 (Ten thousand) Equity shares of Rs, 10/- each to Rs. 5,00,00,000/- (Rupees Five crore only) divided into 50,00,000 (Fifty lakh) Equity shares of Rs.10/- each



MAJOR EVENTS AND MILESTONES OF OUR COMPANY

Year	Events
2016	Dispatch of first export order
2017	Entry into USA Market
2017	Entry into European Market
2017	Global Organic Textile Standard (GOTS) Certification
2018	Certificate for authorisation according to STANDARD 100 by OEKO-TEX
2018	Our Company was awarded Gujarat - Best Employer Brand Award in 2018.
2018	Our Company was awarded Silver Plaque for reaching highest export of Terry Towels in Rs. 10-100 Crores category by the Cotton Textiles Export Promotion Council (TEXPROCIL) in year 2017 – 18.
2018	Certificate of Recognition as a One Star Export House (under Foreign Trade Policy 2015-2020)
2021	Certificate for authorisation according to STeP by OEKO-TEX
2021	Global Recycled Standard (GRS) Certification
2021	Certificate of Recognition as a Two Star Export House (under Foreign Trade Policy 2015-2020)
2021	Indian Achievers Award, 2021 for Young Entrepreneurs to our CEO, Ronak Brijmohan Chiripal

TIME AND COST OVERRUN

Our Company has not experienced any significant time and cost overrun in setting up projects.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS

There are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

DETAILS REGARDING MATERIAL ACQUISITION OR DISINVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATION

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

REVALUATION OF ASSETS

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

HOLDING COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

SUBSIDIARIES OF OUR COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.



ASSOCIATE OR JOINT VENTURES OF OUR COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

STRATEGIC AND FINANCIAL PARTNERS

As on date of this Draft Red Herring Prospectus our Company does not have any strategic and financial partners.

SHAREHOLDERS AND OTHER AGREEMENTS

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

GUARANTEES GIVEN BY PROMOTERS OFFERING ITS SHARES IN THE OFFER FOR SALE

This is a fresh issue of Equity Shares and our Promoters are not offering their shares in this Issue.

MATERIAL AGREEMENTS

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

OUR MANAGEMENT

BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors. The composition of the Board of Directors is in compliance with the Companies Act, and the SEBI LODR Regulations.

The following table sets forth details regarding our Board of Directors:

S. No.	Name, Designation, Address, Occupation, Nationality, Age and DIN	Current Term	Other Directorships
1.	<p>Vedprakash Chiripal</p> <p>Designation: Chairman and Non-Executive Director</p> <p>Date of birth: November 21, 1951</p> <p>Permanent Address: 11, Nandi Hill Society, Opp. ISRO, Satellite Road, Ahmedabad – 380015, Gujarat, India</p> <p>Current Address: 3102, Global Lake view, PO box 121297, Dubai, United Arab Emirates-121297</p> <p>Occupation: Business</p> <p>Age: 70 Years</p> <p>Period of directorship: He was appointed as an Executive Director on January 27, 2015. He is further re-designated as a Chairman cum Non-Executive Director on August 18, 2021.</p> <p>DIN: 00290454</p> <p>Nationality: Indian</p>	<p>Liable to retire by rotation</p>	<p>Indian companies:</p> <ol style="list-style-type: none"> 1. Nandan Denim Limited 2. Chiripal Poly Films Limited 3. Chiripal Renewable Energy Private Limited <p>Foreign companies: Nil</p> <p>LLP: Nil</p>
2.	<p>Brijmohan D Chiripal</p> <p>Designation: Managing Director</p> <p>Date of birth: July 15, 1961</p> <p>Address: 10, Nandi Hil Society, Satellite</p>	<p>For a term of five years with effect from August 18, 2021 to August 17, 2026 and shall also be liable to retire by rotation</p>	<p>Indian companies:</p> <ol style="list-style-type: none"> 1. Vishal Fabrics Limited 2. Chiripal Lifestyle Limited 3. Nova Textiles Private Limited

S. No.	Name, Designation, Address, Occupation, Nationality, Age and DIN	Current Term	Other Directorships
	<p>Road, Ambawadi Vistar, Ahmadabad – 380015, Gujarat, India</p> <p>Occupation: Business</p> <p>Age: 60 Years</p> <p>Period of directorship: He was appointed as an Executive Director as on January 27, 2015. He ceased to be a director on October 20, 2017. Further, on October 20, 2017, he was appointed as an Additional Executive Director. Further he was reappointed as an Executive Director as on September 30, 2018. On August 18, 2021, he is further re-designated as a Managing Director.</p> <p>DIN: 00290426</p> <p>Nationality: Indian</p>		<p>4. Nav Srajan Projects Private Limited</p> <p>5. Shanti Academic Private Limited</p> <p>6. Shanti Exports Private Limited</p> <p>7. Chiripal Textile Mills Private Limited</p> <p>8. Prakash Calender Private Limited</p> <p>9. Dholi Spintex Private Limited</p> <p>10. Nandan Industries Private Limited</p> <p>11. Tecvidid Software Consultancy Private Limited</p> <p>12. Quality Exim Private Limited</p> <p>13. Hunky Dory Travel Private Limited</p> <p>14. Shanti Innovation and Research Foundation</p> <p>15. Blue Terry Private Limited</p> <p>16. Chiripal Renewable Energy Private Limited</p> <p>Foreign companies: Nil</p> <p>LLP:</p> <p>1. Nandan Corporation LLP</p> <p>2. Devkinandan Corporation LLP</p>
3.	<p>Vipin Chandra Rajput</p> <p>Designation: Whole Time Director</p> <p>Date of birth: March 10, 1959</p> <p>Address: House No. 616/8, Gali No-6, Behind Sector 7 H.B.C., Ambedkar</p>	<p>For a term of five years with effect from August 18, 2021 to August 17, 2026 and shall also be liable to retire by rotation</p>	<p>Indian companies: Nil</p> <p>Foreign companies: Nil</p> <p>LLP: Nil</p>

S. No.	Name, Designation, Address, Occupation, Nationality, Age and DIN	Current Term	Other Directorships
	<p>Nagar, Gurgaon – 122001, Haryana, India</p> <p>Occupation: Service</p> <p>Age: 62 Years</p> <p>Period of directorship: He was appointed as an Additional Executive Director on February 17, 2020. Further, he was re-appointed as an Executive Director on December 29, 2020. On August 18, 2021, he is further re-designated as a Whole Time Director.</p> <p>DIN: 08700962</p> <p>Nationality: Indian</p>		
4.	<p>Susanta Kumar Panda</p> <p>Designation: Independent Director</p> <p>Date of birth: April 15, 1959</p> <p>Address: Y-78, 2nd Floor, Hauz Khas, South Delhi, Delhi – 110016, India</p> <p>Occupation: Ex-Indian Revenue Service</p> <p>Age: 62 Years</p> <p>Period of directorship: He was appointed as an Additional Independent Director on August 14, 2021. Further, he is reappointed as an Independent Director August 18, 2021</p> <p>DIN: 07917003</p> <p>Nationality: Indian</p>	<p>For a term of five years with effect from August 18, 2021 and shall not be liable to retire by rotation</p>	<p>Indian companies:</p> <ol style="list-style-type: none"> 1. Vishal Fabrics Limited 2. Shanti Educational Initiatives Limited 3. Zee Media Corporation Limited 4. Golden Biofuels Limited 5. Green Noida Health and Research Institute Hospitals Private Limited <p>Foreign companies: Nil</p> <p>LLP: Nil</p>
5.	<p>Dhara Shah</p> <p>Designation: Independent Director</p> <p>Date of birth: November 14, 1988</p>	<p>For a term of five years with effect from August 18, 2021 and shall not be liable to retire by</p>	<p>Indian companies:</p> <ol style="list-style-type: none"> 1. Vishal Fabrics 2. Ace Software Exports Limited

S. No.	Name, Designation, Address, Occupation, Nationality, Age and DIN	Current Term	Other Directorships
	<p>Address: 1385-5, Salvi no khancho, Dhanasutharni Pole, Kalupur, Ahmedabad – 380001, Gujarat, India</p> <p>Occupation: Business</p> <p>Age: 33 Years</p> <p>Period of directorship: She was appointed as an Additional Independent Director on August 14, 2021. Further she is reappointed as an Independent Director on August 18, 2021</p> <p>DIN: 06983857</p> <p>Nationality: Indian</p>	rotation	<p>3. Mayur Floorings Limited</p> <p>4. Fairdeal Components Limited</p> <p>Foreign companies: Nil</p> <p>LLP: Nil</p>
6.	<p>Debdatta Nandwani</p> <p>Designation: Independent Director</p> <p>Date of birth: February 2, 1967</p> <p>Address: Urbana Tower-7, Flat no. – 1204, 783 Anandapur Madurdaha, Near Ruby Hospital, E.K.T., Kolkata – 700107, West Bengal, India</p> <p>Occupation: Business</p> <p>Age: 54 Years</p> <p>Period of directorship: She was appointed as an Additional Independent Director on August 14, 2021. Further she is reappointed as an Independent Director on August 18, 2021</p> <p>DIN: 09225909</p> <p>Nationality: Indian</p>	For a term of five years with effect from August 18, 2021 and shall not be liable to retire by rotation	<p>Indian companies: Nil</p> <p>Foreign companies: Nil</p> <p>LLP: Nil</p>



RELATIONSHIP BETWEEN OUR DIRECTORS

Mr. Vedprakash Chiripal, our Chairman and Non-Executive Director, is the brother of Mr. Brijmohan D Chiripal, our Managing Director. Except this none of the Directors of our Company are related to each other within the meaning of section 2(77) of the Companies Act.

BRIEF BIOGRAPHIES OF DIRECTORS

Vedprakash Chiripal is the Chairman and Non-Executive Director of our Company*. He has approximately 27 years of experience in the field of manufacturing, trading and export of various textiles products. He has been associated with our Company since its incorporation. He is acting as a director of Nandan Denim Limited since August, 2003 and Chiripal Poly Films Limited since August, 2009. Prior to joining our Company, he was associated with CIL Nova Petrochemicals Limited, GSL Nova Petrochemicals Limited, Chiripal Industries Limited, Nova Petrofils Limited, Dholi Spintex Private Limited, Chiripal Lifestyle Limited, Picasso Flexibles Limited, Chiripal Energy Limited, Argentum Flexipack Private Limited, Nav Srajan Projects Private Limited, Shanti Innovation and Research Foundation and Shanti Academic Private Limited as director. He was also associated with Nandan Chiripal Energy Corporation LLP, Nandan Corporation LLP and Devkinandan Corporation LLP as designated partner.

** The educational qualification documents of Mr. Vedprakash Chiripal are not traceable and available in his records and thus not provided to us, therefore, our Company has not mentioned any description regarding his educational qualification.*

Brijmohan D Chiripal is the Managing Director of our Company. He holds a bachelor's of Chemical Engineering degree from L.D. College of Engineering, Ahmedabad. He has approximately 23 years of experience in textile processing, export and domestic trading. He has been associated with our Company since incorporation. He is responsible to perform duties in terms of the Companies Act and to exercise the power as assigned or vested in him by the Board of our Company. Prior to joining our Company, he was associated with Chiripal Industrial Park Private Limited, Red Events India Private Limited, and Prizm Club Limited as director and with Nandan Denim Limited as additional director. He was also associated with Nandan Chiripal Energy Corporation LLP as designated partner.

Vipin Chandra Rajput is a Whole Time Director of our Company. He holds a diploma in Electrical Engineering from D.E.I. Technical College, Dayal Bagh, Agra, Uttar Pradesh. He has been associated with our Company since February 17, 2020 as a director and prior to his directorship, he was working as a Chief Engineer in our Company since May 29, 2015. He has approx. 28 years of experience in engineering field. He is responsible to perform duties in terms of the Companies Act and to exercise the power as assigned or vested in him by the Board of our Company. Prior to joining our Company, he has worked as Electrical Supervisor at New Manekchowk Textile Mills, a unit of National Textile Corporation (Gujarat) Limited, as Junior Assistant (Elec.) in Engineering Department at Aryodaya Ginning and Manufacturing Company Limited, as Junior Assistant in Engineering Department at New Shorrock Mills, a unit of Mafatlal Industries Limited, as Dy. Ele. Engineer at Shri Amarsinhji Mills, a unit of Kores (India) Limited, as Electrical Engineer at Modern Terry Towels, a unit of Modern Woollens Limited, as Manager – Engineering at Ashnoor Textile Mills Limited and as Assistant General Manager (Engineering) at Paras Fab International, a unit of Parasrampurua Synthetics Limited.



Susanta Kumar Panda is an Independent Director of our Company. He is a graduate in Political Science (Hons) from Ravenshaw College affiliated to Utkal University, Odisha, Post Graduate in Political Science from University of Delhi and Law Graduate from Choudhary Charan Singh University, Meerut. He also cleared intermediate examination in science from Stewart Science College, Cuttack, Odisha affiliated to Utkal University, Odisha. He is an ex Indian Revenue Services Officer of 1982 Batch of Indian Customs, Excise and Service Tax, Government of India under Department of Revenue, Ministry of Finance. He was holding office in Ministry of Finance, Department of Revenue as Member of Central Board of Indirect Tax and Customs (CBIC). He has been empanelled in the Independent Director Databank, Ministry of Corporate Affairs, Government of India since August 19, 2020 till August 25, 2025. He is acting as a director of Zee Media Corporations Limited and Green Noida Health and Research Institute Hospital Private Limited. Further, he is acting as an additional director in Vishal Fabrics Limited, Shanti Educational Initiatives Limited and Golden Biofuels Limited. He has been associated with our Company since August 18, 2021. Prior to joining our Company, he was associated with Goods and Services Tax Network as a director.

Dhara Shah is an Independent Director of our Company. She is practicing Company Secretary, qualified from the Institute of Company Secretaries of India. She has completed her graduation from H.A. College of Commerce, Gujarat University and L.L.B. from I.M. Nanavati Law College, Gujarat University. She has been empanelled in the Independent Director Databank, Ministry of Corporate Affairs, Government of India since 2019. She has approximately 7 years of experience. Prior to joining our Company, she has worked as an apprentice under Chetan R. Shah for a period of 15 months from September 09, 2010 to December 08, 2011. She is associated with Ace Software Export Limited, Mayur Floorings Limited, Vishal Fabrics Limited, a Group Company of our Company and Fairdeal Components Limited. She has been associated with our Company since August 18, 2021. Prior to joining our Company, she was associated with Toyam Industries Limited as a director.

Debdatta Nandwani is an Independent Director of our Company. She holds a bachelor's and master's degrees in Political Sciences from University of Calcutta. She has completed Organisational Behaviour programme from Harvard Extension School, Cambridge, MA. She has a cumulative experience of approximately 30 years in the field of strategic management and operational leadership. She worked as a Manager Regional Operation in C Electronics Private Limited at Guwahati, Assam. She was nominated by the United States' Consulate in Kolkata to the South Asian Women's Entrepreneurship Symposium (SAWES). She has recently been appointed as President, West Bengal Chapter, Asian-African Chamber of Commerce & Industry. Prior to joining our Company, she was working as a Strategic Account Manager, Dun & Bradstreet Information Services India Private Limited, Vice President, Coal-Trade India Part of Massey Coal Export Co., Chief Advisor and Deputy Director General, Federation of Indian Export Organisations, Eastern Region Office, Kolkata and Advisor for Tax and Regulatory Services at Ernst & Young LLP, Calcutta. She has been awarded the Star Performer for Business of Export Marketing Solutions for the year 2006-2007 by Dun & Bradstreet Information Services India Private Limited. She launched her consulting firm 'East India Trade Advisors'. She has been associated with our Company since August 18, 2021. She has been empanelled in the Independent Director Databank, Ministry of Corporate Affairs, Government of India since June 29, 2021 till June 28, 2022.

CONFIRMATIONS

Except as otherwise provided hereunder, 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 term of their directorship in such company:

CIL Nova Petrochemicals Limited (*erstwhile* known as Nova Petrochemicals Limited) is one of our Group Companies. With effect from March 31, 2014, the equity shares of CIL Nova Petrochemicals Limited were delisted from Ahmedabad Stock Exchange Limited. The equity shares of CIL Nova Petrochemicals Limited were listed on BSE and NSE at the time of delisting from Ahmedabad Stock Exchange Limited. The details of said delisting are mentioned hereunder:

Particular	Description
Name of Company	CIL Nova Petrochemicals Limited
Delisted from Stock Exchange	Ahmedabad Stock Exchange Limited
Date of Delisting	March 31, 2014
Nature of Delisting	Voluntarily delisting under Regulations 6 (a) of SEBI (Delisting of Equity Shares) Regulations, 2009
Reason for Delisting	Equity shares remained listed on other nationwide trading terminal. No benefits expected.
Name of Director	Mr. Vedprakash Chiripal (who is our Promoter and Director)
Term of Directorship in CIL Nova Petrochemicals Limited	December 17, 2003 to February 17, 2017
Name of the Stock Exchange where currently listed	BSE
Whether relisted	No

In addition to the above, the equity shares of CIL Nova Petrochemicals Limited have been delisted from NSE with effect from April 13, 2021. However, at the time of said delisting of equity shares none of our directors was acting as a director of CIL Nova Petrochemicals Limited. The details of delisting of equity shares of CIL Nova Petrochemicals Limited from NSE are as follows:

Particular	Description
Name of Company	CIL Nova Petrochemicals Limited
Delisted from Stock Exchange	National Stock Exchange of India Limited
Date of Delisting	April 13, 2021
Nature of Delisting	Voluntarily delisting under SEBI (Delisting of Equity Shares) Regulations, 2009
Reason for Delisting	Equity shares remained listed on other nationwide trading terminal. No benefits expected.
Name of Director	Not applicable
Term of Directorship in CIL Nova Petrochemicals Limited	Not applicable
Name of the Stock Exchange where currently listed	BSE
Whether relisted	No



None of the above-mentioned Directors are on the RBI list of Wilful Defaulters.

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our directors, or to the firms or companies in which they are interested as a member by any person either to induce such Director to become, or to help such Director to qualify as a director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

TERMS OF APPOINTMENT OF EXECUTIVE DIRECTORS

Brijmohan D Chiripal

Brijmohan D Chiripal has been designated as Managing Director of our Company pursuant to a resolution passed by our Board of Directors at their meeting held on August 14, 2021 and resolution of Shareholders at their EGM held on August 18, 2021. In terms of employment agreement for Managing Director dated August 14, 2021, Mr. Brijmohan D Chiripal is entitled to receive NIL salary for acting as a Managing Director of our Company, however, his salary may be revised periodically based on the recommendation of Board or Nomination and Remuneration Committee of our Company subject to provisions of the Companies Act.

Vipin Chandra Rajput

Vipin Chandra Rajput has been designated as Whole Time Director of our Company pursuant to a resolution passed by our Board of Directors at their meeting held on August 14, 2021 and resolution of Shareholders at their EGM held on August 18, 2021.

In terms of employment agreement for Whole Time Director dated August 14, 2021, Mr. Vipin Chandra Rajput is entitled to receive salary of ₹ 85,380/- per month for acting as a Whole Time Director of our Company, however, his salary may be revised periodically based on the recommendation of Board or Nomination and Remuneration Committee of our Company subject to provisions of the Companies Act.

Compensation of Managing Director and Executive Directors

The remuneration paid to our Managing Director and Executive Director of our Company in Fiscal 2021 is as follows:

(₹ in Lakh)

Name of Director	Fiscal 2021
Brijmohan D Chiripal	NIL
Vipin Chandra Rajput	8.52
TOTAL	8.52



PAYMENT OR BENEFIT TO NON-EXECUTIVE DIRECTORS OF OUR COMPANY

Except as stated below, no sitting fees / other remuneration was paid to our Non-Executive Directors in Fiscal 2021:

(₹ in Lakh)

Name of Director	Fiscal 2021
Vedprakash Chiripal	NIL

There is no contingent or deferred compensation accrued for the year payable to the Directors, even if the compensation is payable at a later date.

REMUNERATION PAID TO OUR DIRECTORS FROM OUR SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company has no subsidiary and associate companies, therefore, remuneration paid from subsidiary and associate companies to the Directors is not applicable.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

There are no arrangements or understandings with the major Shareholders, customers, suppliers or others, pursuant to which any of our directors were appointed on the Board.

SHAREHOLDING OF DIRECTORS IN OUR COMPANY

The Articles of Association do not require our directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus, on a fully diluted basis, is set forth below:

S.No.	Name	No. of Equity Shares	Percentage of the pre-issue capital (%)	Percentage of the post-issue capital (%)
1.	Vedprakash Chiripal	1,95,000	0.43%	[●]
2.	Brijmohan D Chiripal	1,95,000	0.43%	[●]

BORROWING POWERS

In accordance with Articles of Association and Section 180(1)(c) of Companies Act, the members of our Company *vide* resolution passed on July 30, 2021 in their EGM have authorised our Board (including its committee) to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained by our Company from its bankers in the ordinary course of business), may exceed the aggregate of the paid-up share capital of our Company and its free reserves, provided that the total amount of monies so borrowed by our Company shall not at any time exceed the limit of ₹ 75,000 lakh.

INTERESTS OF DIRECTORS

All our directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested in Equity Shares held by them, if any, or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, pursuant to the Issue and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships/ shareholding or any partnership firm in which they are partners as declared in their respective capacity.

(i) Interest in the Promotion of our Company

Vedprakash Chiripal and Brijmohan D Chiripal are interested to the extent of being the Promoter of our Company. None of our other Directors have any interest in the promotion and formation of our Company other than in the ordinary course of business.

(ii) Interest in the property of our Company

Brief details of interest of Directors in the property acquired or proposed to be acquired by the Company is as follows:

Our Company, has entered into a lease deed dated July 5, 2016 with certain lessors (including amongst other, directors namely, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal), for use of its manufacturing unit situated at Survey No. 185/1 of T.P.S. No 125, Saijpur-Gopalpur, Pirana Road, Vatva, Ahmedabad, Gujarat – 382405.

Our Company, has entered into a license agreement with Mr. Brijmohan D Chiripal (our Managing Director), for use of its Corporate Office situated at Shanti Corporate House, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad-380058 Gujarat, India. Mr. Brijmohan D Chiripal is the owner of aforesaid property.

Our Company has entered into a license agreement with Shanti Educational Initiatives Limited for use of its registered office situated at 109, Peninsula Centre, Dr. S.S. Rao Road, Parel, Mumbai, Maharashtra. The Director of our Company, namely, Mr. Susanta Kumar Panda is also acting as a director of Shanti Educational Initiatives Limited. Additionally, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal, our directors, are promoters of Shanti Educational Initiatives Limited.

Mr. Vishal V Chiripal, is the son of our Chairman and Non-Executive Director, Mr. Vedprakash Chiripal. He is presently acting as a director in Dholi Integrated Spinning Park Limited. Our Company has entered into various lease deeds with Dholi Integrated Spinning Park Limited for



use of its different manufacturing units situated at Integrated Spinning Park at Village Dholi, Taluka Dholka, District Ahmedabad, Gujarat. For further details regarding our manufacturing units, see the chapter titled “*Our Business*” beginning on page 155 of this Draft Red Herring Prospectus.

Except as disclosed above, none of our directors have any interest in any property acquired by our Company or proposed to be acquired by our Company in preceding three years.

(iii) Loans to directors

Except as stated in “*Restated Financial Statements – Note 42 (Related Parties Disclosures)*” on page 307 of this Draft Red Herring Prospectus, our directors have not received any loan from our Company.

(iv) Interest as a creditor of our Company

Our directors have not directly given any loan to our Company.

(v) Interest in the business of our Company

Except as stated in “*Restated Financial Statements – Note 42 (Related Parties Disclosures)*” on page 307 of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, if any, our directors do not have any other interest in our business.

(vi) Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our directors except the normal remuneration for services rendered as Directors.

(vii) Bonus or profit-sharing plan for the Directors

None of the Directors are a party to any bonus or profit-sharing plan of our Company.

(viii) Service contracts with Directors

There are no service contracts executed by our Company with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

CHANGES IN THE BOARD IN THE LAST THREE YEARS

Name	Date of appointment / change / cessation	Reason
Susanta Kumar Panda	August 18, 2021	Appointment as Independent Director
Debdatta Nandwani	August 18, 2021	Appointment as Independent Director
Dhara Shah	August 18, 2021	Appointment as Independent Director
Vipin Chandra Rajput	August 18, 2021	Designated as Whole Time Director
Brijmohan D Chiripal	August 18, 2021	Designated as Managing Director
Vedprakash Chiripal	August 18, 2021	Designated as Chairman and Non-executive Director
Vipin Chandra Rajput	December 29, 2020	Regularization as Director
Pooja Smit Shah	April 07, 2020	Resignation as Non-executive Director
Vipin Chandra Rajput	February 17, 2020	Appointment as Additional Director
Brijmohan D Chiripal	September 30, 2018	Regularization as Executive Director
Pooja Smit Shah	September 30, 2018	Regularization as Non-executive Director

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the SEBI LODR Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI LODR Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI LODR Regulations and in accordance with best practices in corporate governance. The Board function either as a full Board or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board detailed reports on its performance periodically.

Currently, our Board has six Directors comprising of two Executive Directors, and four Non-Executive Directors, out of which three are Non-Executive Independent Directors (including two-woman Independent Directors). Further, our Non-Independent Directors are liable to retire by rotation.

COMMITTEES OF THE BOARD

(i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 of the Companies Act and Regulation 18 of the SEBI LODR Regulations *vide* resolution passed at the meeting of the Board held on August 14, 2021.



The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the listing agreement, proposed to be entered into with the Stock Exchanges in due course. The Audit Committee presently comprises of following four Directors:

Name of the Director	Designation	Nature of Directorship
Susanta Kumar Panda	Chairman	Independent Director
Dhara Shah	Member	Independent Director
Debdatta Nandwani	Member	Independent Director
Brijmohan D Chiripal	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the secretary to the Audit Committee.

The Audit Committee shall *inter alia* undertake following roles and responsibilities:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (i) 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;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management of our Company;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ draft red herring prospectus/ red

herring prospectus / prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of our Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors any significant findings and follow up there on.
15. 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.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non – payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



Further, the Audit Committee shall mandatorily review the following:

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.
6. Statement of deviations:
 - (i) 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 LODR Regulations.
 - (ii) 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 LODR Regulations.

Provided that for the purpose of this resolution, “monitoring agency” shall mean the monitoring agency specified in the SEBI ICDR Regulations and any amendment made to it.

Meetings of Audit Committee and relevant Quorum

The Audit Committee shall meet at least four times in a year and not more than one-hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of two Independent Directors, who are members, present.

(ii) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act and Regulation 19 of SEBI LODR Regulations. The constitution of the Nomination and Remuneration Committee was approved by meeting of the Board held on August 14, 2021.

The Nomination and Remuneration Committee comprises of following Directors:

Name of the Director	Designation	Nature of Directorship
Dhara Shah	Chairman	Independent Director
Susanta Kumar Panda	Member	Independent Director
Debdatta Nandwani	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the secretary to the Nomination and Remuneration Committee. The scope and function of the Nomination and Remuneration Committee and its terms of reference shall include the following:

1. **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
2. **Meetings:** The Nomination and Remuneration Committee shall meet as and when the need arise for review of managerial remuneration. The quorum for the meeting shall be one third of the total strength of the Nomination and Remuneration Committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called at least seven days' notice in advance.
3. **Role of the Nomination and Remuneration Committee not limited to but includes:**
 - (i) Formulate the criteria for determining the qualifications, positive attributes and independence of Directors and recommend to the Board a policy relating to, the remuneration for Directors, Key Managerial Personnel and other employees.
 - (ii) Identifying persons who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
 - (iii) Formulation of criteria for evaluation of performance of Independent Directors and the Board.
 - (iv) Devising a policy on diversity of Board.
 - (v) Deciding on, 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.
 - (vi) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of executive Directors.
 - (vii) Define and implement the performance linked incentive scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the executive Directors for that purpose.
 - (viii) Decide the amount of commission payable to the Whole Time Director/Managing Director.
 - (ix) Review and suggest revision of the total remuneration package of the executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines, etc.
 - (x) To formulate and administer the ESOP.

(iii) Stakeholders' Relationship Committee

Our Company has constituted a Stakeholders' Relationship Committee to redress complaints of shareholders of our Company. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on August 14, 2021.



The Stakeholder's Relationship Committee comprises of following Directors:

Name of the Director	Designation	Nature of Directorship
Debdatta Nandwani	Chairman	Independent Director
Dhara Shah	Member	Independent Director
Susanta Kumar Panda	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

1. **Tenure:** The Stakeholders' 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 Stakeholders' Relationship Committee as approved by the Board.
2. **Meetings:** The Stakeholder's Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on quarterly basis regard the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
3. **Role of Stakeholder's Relationship Committee:** The Stakeholders' Relationship Committee shall consider and resolve grievance of security holders, including but not limited to:
 - (i) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
 - (ii) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
 - (iii) Review the process and mechanism of redressal of shareholders'/ investor's grievance and suggest measures of improving the system of redressal of shareholders'/ investors' grievances.
 - (iv) Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
 - (v) Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
 - (vi) Oversee the implementation and compliance of the code of conduct adopted by the Company for prevention of insider trading for listed companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.



- (vii) Any other power specifically assigned by the Board of the Company from time to time by way of resolution passed by it in a duly conducted meeting.
- (viii) Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

(iv) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on August 14, 2021 in terms of Section 135 of the Companies Act. The Corporate Social Responsibility Committee comprises of following Directors:

Name of the Director	Designation	Nature of Directorship
Brijmohan D Chiripal	Chairman	Managing Director
Vipin Chandra Rajput	Member	Whole Time Director
Dhara Shah	Member	Independent Director

The terms of reference of the Corporate Social Responsibility Committee of our Company are as follows:

1. To formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as per the Companies Act.
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
3. To monitor the corporate social responsibility policy of the Company from time to time.
4. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board from time to time.

(v) Finance and Investment Committee

The Finance and Investment Committee was constituted by our Board at their meeting held on August 14, 2021. The Finance and Investment Committee comprises of following Directors:

Name of the Director	Designation	Nature of Directorship
Brijmohan D Chiripal	Chairman	Managing Director
Vipin Chandra Rajput	Member	Whole Time Director
Vedprakash Chiripal	Member	Non-Executive Director

The terms of reference of the Finance and Investment Committee of our Company are as follows:

1. To borrow money and finalize the terms of borrowing within the limits approved by the shareholders under Section 180(1)(c) of the Companies Act as may be applicable over and above the aggregate of the paid up capital and free reserve of the Company and to avail various non-fund based facilities and authorize any person(s) or Director(s) of the Company for execution of necessary agreements(s), deed(s), document(s), paper(s), etc. and affixation of common seal on such documents as may be necessary for availing fund-based and non-



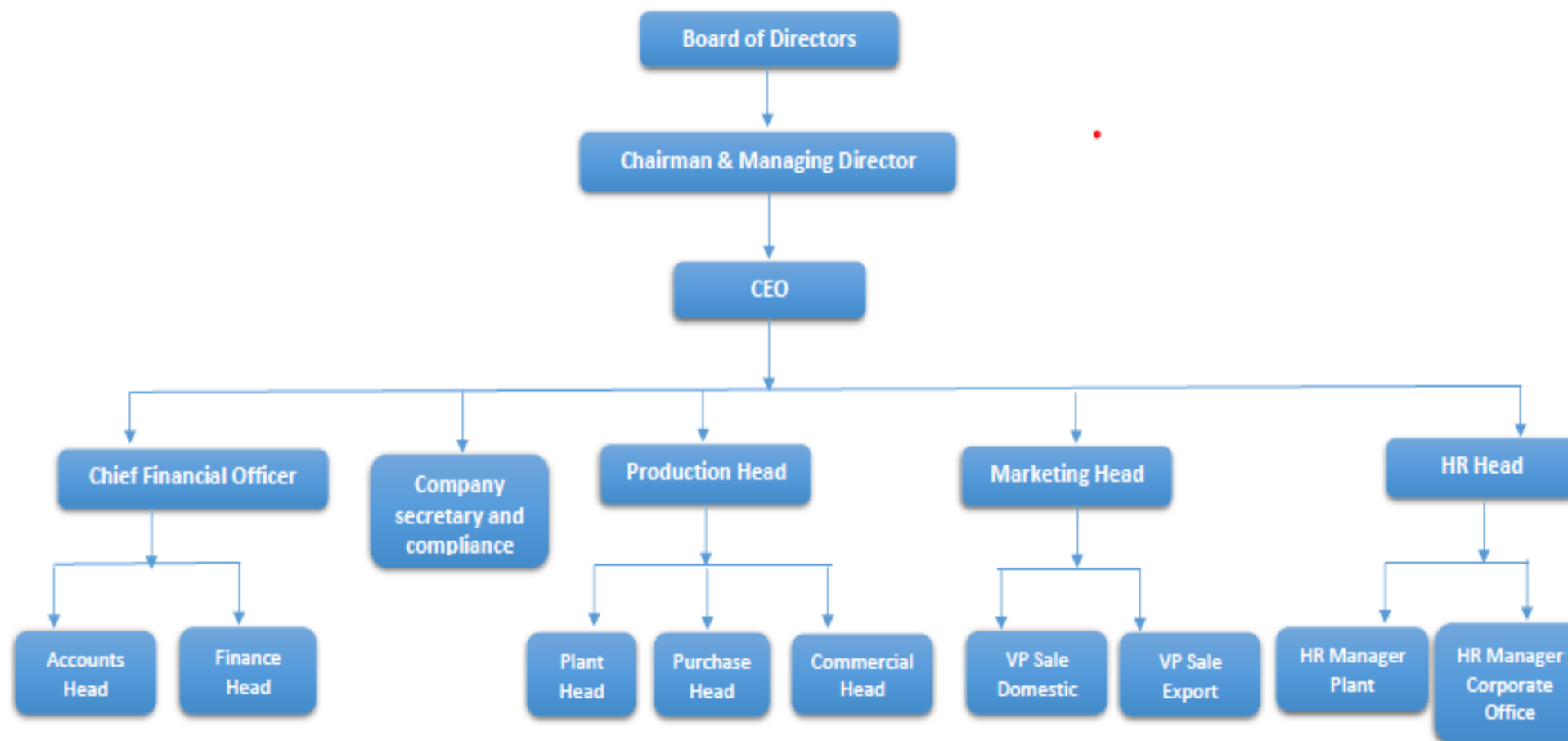
fund based facilities from any person(s) including but not limited to banks and financial institutions.

2. To invest the funds of the Company in share, securities, bonds or any other instruments issued by the companies (including the subsidiaries of our Company), make loans or provide guarantee/security in respect of the loans borrowed by the Company for an additional amount not exceeding ₹ 75,000 lakh.
3. To grant loans or give guarantee or provide security in respect of loans borrowed by any of Company's own or its wholly owned subsidiary or its step-down subsidiary, where in the total amount of such loan, guarantee or security in respect of each subsidiary does not exceed ₹ 75,000 lakh.
4. To mortgage and/or charge all or any of the movable and immovable properties, both present and future, or substantially the whole of the undertaking or any undertaking of the Company for securing any fund-based and/or non-fund based facilities obtained or as may be obtained from time to time from any financial institution(s)/bank(s)/body(ies) corporate or any other person(s) together with interest, costs, charges, expenses and any other money payable by the Company and authorize any person(s) or Director(s) of the Company for execution of necessary agreement(s), deed(s), document(s), paper(s) etc., and affixation of common seal on such documents as may be expedient and necessary for the purpose provided that the said creation of security is within the limits approved by the shareholders under Section 293(1)(a) of the Companies Act or Section 180 (1)(a) of the Companies Act, as may be applicable.
5. To approve opening, operating and closing of banking account(s) of the Company and to authorize any person(s) or Director(s) of the Company to operate the same for and on behalf of the Company in any manner and/or amend/modify any such authorization(s).
6. To approve taking on lease, hire purchase or any other mode of easy payment, assets, equipment's, machinery, vehicles etc. for the Company and authorize any person(s) or Director(s) of the Company for execution of necessary agreement(s), deed(s), document(s), paper(s), etc., and affixation of common seal on such documents as may be expedient and necessary for the purpose.
7. To approve taking on lease or on rent or to buy or sell or otherwise dispose of immovable properties including but not limited to factory premises, office premises, residential houses for executives of the Company or for guest house purposes, store rooms, godowns or other suitable premises for storing the products of the Company etc. and authorize any person(s) or Director(s) of the Company for execution of necessary agreement(s), deed(s), document(s), paper(s), etc., and affixation of common seal on such documents as may be expedient and necessary for the purpose provided that the said creation of security is within the limits approved by the Shareholders under Section 293(1)(a) of the Companies Act or Section 180(1)(a) of the Companies Act, as may be applicable.
8. To sell/ disinvest or otherwise dispose of the shares/debentures/bonds and/or any others securities held by the Company with market value of such shares not exceeding ₹ 10,000 lakh.



9. To approve issue of corporate guarantees/ indemnities in favor of any person(s) in connection with the business of the Company and authorize execution of necessary documents for the said purpose.
10. To authorize any person(s) or Director(s) of the Company to deal with and handle all matters with any government / semi government/ non-government authorities relating to the business of the Company, under various corporate / labour or other laws, as may be applicable to the Company.
11. To approve and authorize execution of joint venture agreement(s), memorandum of understanding(s) and/or any other arrangements in connection with the business of the Company.
12. To authorize any person(s) or Director(s) of the Company to sign, seal, swear, affirm, declare, deliver, execute, enter into, acknowledge, perfect all such contracts, conveyances, leases, mortgages, transfers, releases, agreements, re-conveyances, reassignments, releases, agreements, pleadings, affidavit, declarations, petitions, returns, refund orders of income-tax , excise, service tax, custom, sales tax, gift tax, expenditure tax and any other tax assurances, deeds, documents, instruments, etc. as may be necessary in connection with the business of the Company and to authorize the affixation common seal on such documents as may be necessary.
13. To incorporate/ promote a new public/ private limited company as special purpose vehicle to undertake the awarded projects and authorized to give all necessary undertakings under the agreement to be executed with the project granting authority.
14. To issue and allotment of secured/unsecured non-convertible debentures and/or other debt securities on private placement basis within the borrowing limits.
15. To appoint representative of the Company pursuant to the provisions of Section 113 of the Companies Act for attending, voting at the general meeting including voting through electronic platform and/or through ballot forms and to exercise all rights and powers and further authorized to appoint proxy(ies) at the general meeting to be held from time to time of the investee company as long as the Company has investment in those companies.

MANAGEMENT ORGANISATION CHART



KEY MANAGERIAL PERSONNEL

The details of the Key Management Personnel of our Company are as follows:

Brijmohan D Chiripal is the Managing Director of our Company. For details see, “*Brief Biographies of Directors*” at page 213 of this Draft Red Herring Prospectus.

Vipin Chandra Rajput is a Whole Time Director of our Company. For details see, “*Brief Biographies of Directors*” at page 213 of this Draft Red Herring Prospectus.

Ronak Brijmohan Chiripal is the CEO of our Company. He holds a bachelor’s degree of Technology in Information Technology from Nirma University Ahmedabad. He holds a master’s degree in Business Administration from Syracuse University. He joined our Company on January 1, 2020. He is responsible for undertaking various functions in our Company including leading the development of short-term & long-term strategy of the Company, creating & implementing vision and mission of the Company, etc. His remuneration for Fiscal 2021 was ₹ 63.85 Lakh.

Anshuman Srivastava is the CFO of our Company. He holds a bachelor’s degree in Commerce from Chhatrapati Shahu Ji Maharaj University Kanpur (formerly Kanpur University). He holds a master’s degree in International Business Management from Lucknow University. He joined our Company on July 05, 2016 as the Vice President in marketing department and was appointed as CFO of our Company on November 27, 2021. He has also received practical training in marketing department of Lucknow Producers Co-operative Milk Union Limited for a period of two months. He is responsible for undertaking various functions in our Company including leading the finance and treasury function of our Company. His remuneration for Fiscal 2021 was ₹ 14.42 Lakh in the capacity of Vice President in marketing department.

Deval Bakulkumar Patel is the Company Secretary and Compliance Officer of our Company. She holds a bachelor’s degree in commerce from R. J. Tibrewal Commerce College. She is an associate of the Institute of Company Secretaries of India. She joined our Company on January 2, 2020 and was appointed as the Company Secretary and Compliance Officer of our Company on August 14, 2021. She has 3 years of experience in secretarial and compliance sector. Prior to joining our Company, she was associated with our Group Companies - Dholi Spintex Private Limited as Assistant Company Secretary and Vishal Fabrics Limited as Management Trainee (CS). She is responsible for undertaking various functions in our Company including ensuring conformity with the regulatory provisions applicable to our Company. Her remuneration for Fiscal 2021 was ₹ 3.11 Lakh.

Mr. Ronak Brijmohan Chiripal, our CEO, is the son of Mr. Brijmohan D Chiripal, Managing Director of our Company. Except this none of our Key Managerial Personnel are related to each other.

All the Key Managerial Personnel are permanent employees of our Company.

(a) Shareholding of Key Managerial Personnel

The shareholding of our Key Managerial Personnel except Mr. Brijmohan D Chiripal as of the date of filing this Draft Red Herring Prospectus, on a fully diluted basis, is set forth below. For details of shareholding of Mr. Brijmohan D Chiripal, see *“Shareholding of Directors in our Company”* on page 217 of this Draft Red Herring Prospectus:

Name	No. of Equity Shares	Percentage of the pre-issue capital (%)	Percentage of the post-issue capital (%)
Mr. Ronak Brijmohan Chiripal	33,59,997	7.34%	[●]
Mr. Vipin Chandra Rajput	Nil	Nil	Nil
Mr. Anshuman Srivastava	Nil	Nil	Nil
Ms. Deval Bakulkumar Patel	Nil	Nil	Nil

(b) Arrangements and understanding with major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

(c) Bonus or profit-sharing plans

None of the Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to Key Managerial Personnel.

(d) Interests of Key Managerial Personnel

The Key Managerial Personnel do not have any interest in our Company other than (i) as stated in *“Restated Financial Statements – Note 42 (Related Parties Disclosures)”* on page 307 of this Draft Red Herring Prospectus; or (ii) to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business, if any, that they are entitled to. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any.

None of the Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Our Company has not entered into any service contracts with our Key Managerial Personnel pursuant to which they are entitled to any benefits upon termination of their employment.

Except as stated in *“Restated Financial Statements – Note 42 (Related Parties Disclosures)”* on page 307 of this Draft Red Herring Prospectus, there is no contingent or deferred compensation accrued for the year payable to our Key Managerial Personnel, even if the compensation is payable at a later date.

(e) Changes in the Key Managerial Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel in the last three years:

Name	Date of appointment / change / cessation	Reason
Anshuman Srivastava	November 27, 2021	Appointment as CFO
Ankit Mittal	November 27, 2021	Resignation as CFO
Vipin Chandra Rajput	August 18, 2021	Designated as Whole Time Director
Brijmohan D Chiripal	August 18, 2021	Designated as Managing Director
Deval Bakulkumar Patel	August 14, 2021	Designated as Company Secretary and Compliance Officer
Ankit Mittal	August 14, 2021	Appointment as CFO
Vipin Chandra Rajput	December 29, 2020	Regularization as Director
Vipin Chandra Rajput	February 17, 2020	Appointment as Additional Director
Deval Bakulkumar Patel	January 02, 2020	Appointment as Company Secretary
Ronak Brijmohan Chiripal	January 01, 2020	Appointment as Chief EO
Mohini Singhal	January 01, 2020	Resignation as Company Secretary
Mohini Singhal	October 01, 2019	Appointment as Company Secretary
Palak Jain	May 25, 2019	Resignation as Company Secretary
Palak Jain	November 01, 2018	Appointment as Company Secretary
Brijmohan D Chiripal	September 30, 2018	Regularization as Executive Director

(f) Payment or Benefit to officers of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Managerial Personnel and our Directors within the two preceding years.

ATTRITION OF KEY MANAGERIAL PERSONNEL

As on the date of filing this Draft Red Herring Prospectus, history of attrition rate of our Key Managerial Personnel of our Company is not higher than the industry attrition rate.

EMPLOYEE STOCK OPTION

For details of our Company's employee stock option, see "**Capital Structure – Employee Stock Option Scheme**" on page 103 of this Draft Red Herring Prospectus.


OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are **Mr. Vedprakash Chiripal, Mr. Brijmohan D Chiripal, Chiripal Exim LLP and Devkinandan Corporation LLP**. As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold **2,45,10,000 Equity Shares** of the Company, representing **53.56%** of the pre-Issue issued, subscribed, and paid-up capital of our Company, on a fully diluted basis.


For details, see **“Capital Structure – Equity Shareholding of our Promoters and Promoter Group”** on page 109 of this Draft Red Herring Prospectus.

INDIVIDUAL PROMOTER

VEDPRAKASH CHIRIPAL:

	<p>Vedprakash Chiripal, aged 70 years, is the Promoter, Chairman and Non-Executive Director of our Company.</p> <p>Date of Birth: November 21, 1951</p> <p>Personal Address: 11, Nandi Hill Society, Opp. ISRO, Satellite Road, Ahmedabad City – 380015, Gujarat, India</p> <p>Current Address: 3102 Global Lake View, PO Box 121297, Dubai, United Arab Emirates</p> <p>Permanent Account Number: AAHPC2102Q</p> <p>Aadhar Card Number: [REDACTED]</p> <p>Driving License Number: GJ0120110017960</p> <p>For further details, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements, financial activities and business, see “Our Management – Board of Directors” on page 209 of this Draft Red Herring Prospectus.</p>
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BRIJMOHAN D CHIRIPAL:

	<p>Brijmohan D Chiripal, aged 60 years, is the Promoter and Managing Director of our Company.</p> <p>Date of birth: July 15, 1961</p> <p>Personal Address: 10, Nandi Hil Society, Satellite Road, Ambawadi Vistar, Ahmadabad City – 380015, Gujarat, India</p> <p>Permanent Account Number: ACCPA7904K</p> <p>Aadhar Card Number: [REDACTED]</p>
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	<p>Driving License Number: GJ0120020977561</p> <p>For further details, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements, financial activities and business, see “Our Management – Board of Directors” on page 209 of this Draft Red Herring Prospectus.</p>
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Our Company confirms that the permanent account number, bank account number and passport number of our individual Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

CORPORATE PROMOTERS

CHIRIPAL EXIM LLP (“CHIRIPAL EXIM”)

Chiripal Exim was incorporated on April 6, 2010, under the provisions of the Limited Liability Partnership Act, 2008, with its registered office located at 109/110, Penesule Centre, Dr. S S Rao Road, Behind Income Tax Office, Lal Bag, Mumbai – 400 012, Maharashtra, India.

Chiripal Exim is engaged in the following business activities:

- (i) *To carry on business in India or elsewhere as traders, merchants, wholesalers, retailers, liasioners, stockiest, distributors, importers, exporters, intermediaries, middlemen, brokers, suppliers, indentors, buying/selling agents, textile agents, consultant, and to do all incidental acts and things necessary for the attainment of the foregoing objects.*

Chiripal Exim has not changed its activities since the date of its incorporation.

As per the initial partnership deed dated April 26, 2010, the partners of Chiripal Exim are as follows:

1. Mr. Jaiprakash Devkinandan Chiripal
2. Ms. Savitridevi Vedprakash Chiripal
3. Ms. Urmiladevi Jyotiprasad Chiripal
4. Ms. Manju Jaiprakash Chiripal
5. Ms. Pritidevi Brijmohan Chiripal

Mr. Vishal Vedprakash Chiripal, Mr. Deepak Jyotiprasad Chiripal and Mr. Ronak Brijmohan Chiripal have been appointed as designated partners with effect from November 12, 2021 *vide* Supplementary Agreement to the LLP Agreement of Chiripal Exim LLP dated November 12, 2021. Chiripal Exim has filed Form 3 and Form 4 with the Registrar of Companies, Ahmedabad to record their appointment in Chiripal Exim. Except this there has been no change in the control of Chiripal Exim in the preceding three years.

The current partners of Chiripal Exim are as follows:

1. Mr. Jaiprakash Devkinandan Chiripal
2. Ms. Savitridevi Vedprakash Chiripal
3. Ms. Urmiladevi Jyotiprasad Chiripal
4. Ms. Manju Jaiprakash Chiripal
5. Ms. Pritidevi Brijmohan Chiripal
6. Mr. Vishal Vedprakash Chiripal
7. Mr. Deepak Jyotiprasad Chiripal
8. Mr. Ronak Brijmohan Chiripal

DEVKINANDAN CORPORATION LLP (“DEVKINANDAN CORPORATION”)

Devkinandan Corporation was incorporated on June 22, 2011, under the provisions of the Limited Liability Partnership Act, 2008, with its registered office located at Chiripal House, B/H Arjun Tower, 132, Ring Road, Satellites Road, Ahmedabad – 380015, Gujarat, India.

Devkinandan Corporation is engaged in the following business activities:

- (i) *To carry on business in India or elsewhere as traders, merchants, wholesalers, retailers, liasioners, stockiest, distributors, importers, exporters, intermediaries, middlemen, brokers, suppliers, indentors, buying/selling agents, textile agents, consultant, and to do all incidental acts and things necessary for the attainment of the foregoing objects.*
- (ii) *To act as broker, trader, agent, C & F agent, distributor, representative, consultant, collaborator, adatia, stockist, liasionor, jobworker, export house or otherwise to deal in ally types of textile goods, dress materials, fabrics, cloths yarns, such as nets, matting, hosiery, plastic clothes, water proof fabrics, pavliners, americal clothes, imitation leather and rubber cloths, tents, durries, newar, ropes, rugs, furnishing cloths, tapestries, curtain cloths, blankets, carpets, carpet backing, gloves, laces, terry fabrics, velvet, georgette, gabardine, pashminas, floor cloths, twid, patto, canvas, khaddar, denim, stone wash, suitings, shirtings, sarees and other similar items made on power loom, handloom or mill by man made or natural materials like cotton, flax, hemp, linen, wool, nylon, viscose, ramie, polyester, silk, artsilk, rayon, jute, staple fibers, cashmilon, filaments, terecotton, monofilaments, multflaments, acrylics, polynosic, polypropylene, polymide, polymethane, cellulose, dropping, spun or other fibrous substances, or any combination thereof available at present, and as may be invented in future and to do all incidental acts and things necessary for the attainment of the foregoing objects.*

Devkinandan Corporation has not changed its activities since the date of its incorporation.

As per the initial partnership deed dated July 4, 2011, the partners of Devkinandan Corporation were as follows:

1. Mr. Vedprakash Devkinandan Chiripal
2. Mr. Jaiprakash Devkinandan Chiripal
3. Mr. Jyotiprasad Devkinandan Chiripal
4. Mr. Brijmohan Devkinandan Chiripal
5. Ms. Vineeta Vishal Chiripal
6. Ms. Nitika Deepak Chiripal

Mr. Jyotiprasad Devkinandan Chiripal has ceased to be the designated partner and partner with effect from April 1, 2018, and Ms. Vineeta Vishal Chiripal has ceased to be the designated partner and partner with effect from April 1, 2021. Except this there has been no change in the control of Devkinandan Corporation in the preceding three years.

The current partners of Devkinandan Corporation are as follows:

1. Mr. Jaiprakash Devkinandan Chiripal
2. Mr. Brijmohan Devkinandan Chiripal
3. Ms. Savitridevi Vedprakash Chiripal
4. Ms. Nitika Deepak Chiripal

Our Company confirms that the permanent account number, bank account number and limited liability partnership identification number of our corporate Promoters, and address of the registrar of companies where our corporate Promoters are registered shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

CHANGE IN THE CONTROL OF OUR COMPANY

Our individual Promoters were the initial promoters of our Company and our corporate Promoters subsequently acquired control and shareholding in our Company in the year 2015. Other than as disclosed in **“Capital Structure - Build-up of the Equity Shareholding of our Promoters in our Company”** on page 107 of this Draft Red Herring Prospectus, there has not been any change in control of our Company in five years immediately preceding the date of this Draft Red Herring Prospectus*.

*Certain persons were inadvertently classified under the category of ‘Promoters’ by the consultant of our Company while filing Form MGT-7 and AOC-4 in past years with RoC. Further, such persons are neither actively involved in the affairs of our Company or nor our Board is accustomed to act on their advice, directions and instructions. Accordingly, pursuant to Board resolution passed September 13, 2021, the category of ‘Promoter’ is re-classified comprising of Mr. Vedprakash Devkinandan Chiripal, Mr. Brijmohan Devkinandan Chiripal, Chiripal Exim LLP and Devkinandan Corporation LLP only.

INTERESTS OF PROMOTER

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. For details of Equity Shares held by our Promoters, **“Capital Structure – Equity Shareholding of our Promoters and Promoter Group”** on page 109 of this Draft Red Herring Prospectus. Further, our individual Promoter, Mr. Vedprakash Chiripal is interested in our Company as the Chairman and Non-Executive Director and Mr. Brijmohan D Chiripal is interested in our Company as the Managing Director. For further details, see the chapter titled **“Our Management”** beginning on page 209 of this Draft Red Herring Prospectus.

Except as mentioned in this section and the chapters titled **“Our Business”**, **“History and Certain Corporate Matters”**, **“Our Management”**, **“Restated Financial Statements – Note 42 (Related Parties Disclosures)”** and **“Our Group Companies”** beginning on pages 155, 205, 209, 307 and 242 respectively of this Draft Red Herring Prospectus, our Promoters do not have any other interest in our Company.

Our Company has entered into a license agreement with Shanti Educational Initiatives Limited for use of its registered office situated at 109, Peninsula Centre, Dr. S.S. Rao Road, Parel, Mumbai, Maharashtra. The individual Promoters of our Company, namely, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal are also acting as promoters of Shanti Educational Initiatives Limited and our corporate Promoters, namely, Chiripal Exim LLP and Devkinandan Corporation LLP are in the promoter group of Shanti Educational Initiatives Limited.

Except as disclosed above and in ***“Restated Financial Statements – Note 42 (Related Parties Disclosures)”*** on page 307 and in the chapter titled ***“Our Management”*** beginning on page 209 of this Draft Red Herring Prospectus, our Promoters are not interested in any property acquired, or proposed to be acquired by our Company within three years of the date of filing this Draft Red Herring Prospectus with SEBI, or in any transaction with respect to acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid, or agreed to be paid to them or to such firm or company, in cash or shares or otherwise by any person either to induce such person to become, or to qualify such person as a director, or otherwise for services rendered by such person or by the firm or company, in connection with the promotion or formation of our Company.

PAYMENT OR BENEFITS TO PROMOTER OR PROMOTER GROUP

Except as stated above, and otherwise as disclosed in ***“Restated Financial Statements Note 42 (Related Parties Disclosures)”*** on page 307 and the chapter titled ***“Our Management”*** beginning on page 209 of this Draft Red Herring Prospectus, there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

EXPERIENCE IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal in the business of our Company, see ***“Our Management – Board of Directors”*** on page 209 of this Draft Red Herring Prospectus.

The partners of our corporate Promoter, namely, Chiripal Exim, are relatives of our individual Promoters. Moreover, the partners of our corporate Promoter, namely, Devkinandan Corporation, are Mr. Brijmohan D Chiripal (our individual Promoter) and other relatives of our individual Promoters. Therefore, our corporate Promoters have adequate experience in the business of our Company.

The business of our Company is managed by our individual Promoters. Our Promoters are assisted by a team of qualified professionals to manage the operations of our Company.

COMPANIES AND FIRMS WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS

Our corporate Promoters, namely, Chiripal Exim and Devkinandan Corporation, have not disassociated themselves from any company during the last three years.

Our individual Promoters, namely, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal have disassociated from the following companies during the last three years:

Sr. No.	Name of the Promoter	Name of the company/firm	Date of disassociation	Reason for disassociation
1.	Vedprakash Chiripal	Sparow Export Private Limited	April 16, 2018	Divestment
		Chiripal Energy Limited	September 25, 2018	Divestment
2.	Brijmohan D Chiripal	Sparow Exports Private Limited	April 16, 2018	Divestment

OTHER CONFIRMATIONS

Our Promoters are not wilful defaulter as defined under the SEBI ICDR Regulations.

Our Promoters and members of the Promoter Group are not prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters are not, and have not been in the past five years, a promoter or a director of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters are not fugitive economic offenders.

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares of our Company.

PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

(a) Individuals forming part of the Promoter Group

Sr. No.	Name of the Promoter	Name of member of Promoter Group	Relationship with the Promoter
1.	Vedprakash Chiripal	Late Devkinandan Keshoram Agarwal	Father
		Late Shantidevi V. Chiripal	Mother
		Savitridevi V Chiripal	Spouse
		Jaiprakash Chiripal	Brother
		Jyotiprasad D Chiripal	Brother
		Brijmohan D Chiripal	Brother

Sr. No.	Name of the Promoter	Name of member of Promoter Group	Relationship with the Promoter
		Urmila Bharatbhushan Agarwal	Sister
		Pushpa Premchand Bindal	Sister
		Vishal V Chiripal	Son
		Kavita N Saraogi	Daughter
		Shivani V Chiripal	Daughter
2.	Brijmohan D Chiripal	Late Devkinandan Keshoram Agarwal	Father
		Late Shantidevi V. Chiripal	Mother
		Pritidevi B Chiripal	Spouse
		Vedprakash Chiripal	Brother
		Jaiprakash Chiripal	Brother
		Jyotiprasad D Chiripal	Brother
		Urmila Bharatbhushan Agarwal	Sister
		Pushpa Premchand Bindal	Sister
		Ronak Brijmohan Chiripal	Son
		Priyanka Agarwal (Chiripal)	Daughter
		Ruchi B Agarwal	Daughter
		Late Bhagwatswarup Agrawal	Spouse's Father
		Late Savitridevi Agrawal	Spouse's Mother
		Late Arun Agrawal	Spouse's Brother
		Late Pramod Agrawal	Spouse's Brother

Our individual Promoters, namely, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal, have disassociated themselves with certain immediate family members owing to some severe family dispute. Accordingly, those immediate family members do not constitute a part of the Promoter Group of our Company. Further, Mr. Vedprakash Chiripal and Mr. Brijmohan D Chiripal have provided disassociation letters dated October 16, 2021, confirming their disassociation with those immediate family members.

The list of said disassociated family members is provided hereunder:

Sr. No.	Name of the individual Promoter	Name of immediate family member	Relationship with the Promoter
1.	Vedprakash Chiripal	Babita Goel	Daughter
		Ramsvarupdas Agrawal	Spouse's Father
		Bhagwatidevi Agrawal	Spouse's Mother
		Sunilkumar Raghuvеerji Agrawal	Spouse's Brother
		Girishkumar Raghuvеerji Agrawal	Spouse's Brother
		Kamleshkumar Raghuvеerji Agrawal	Spouse's Brother
		Pushpadevi Shyamkumar Kejriwal	Spouse's Sister
		Kusumdevi Vinodkumarji Sharma	Spouse's Sister
		Sarajdevi Vinodkumar Agrawal	Spouse's Sister
		2.	Brijmohan D Chiripal
Dinesh Agrawal	Spouse's Brother		
Kamal Agrawal	Spouse's Brother		
Snehlata V. Didwania	Spouse's Sister		

(b) Body corporates forming part of the Promoter Group

1. Chiripal Industries Limited
2. Chiripal Textile Mills Private Limited
3. Shanti Polytechnic Foundation
4. Chiripal Energy Limited
5. Chiripal Industrial Park Private Limited
6. Tripoli Management Private Limited
7. Shanti Academic Private Limited (formerly known as Shanti Academic and Research Foundation)
8. Shanti Innovation and Research Foundation
9. Nandan Denim Limited
10. CIL Nova Petrochemicals Limited
11. Vishal Fabrics Limited
12. Nova Textiles Private Limited
13. Chiripal Infrastructure Limited
14. Shanti Exports Private Limited
15. Sparow Exports Private Limited
16. Chiripal Poly Films Limited
17. Kautilya Traders Private Limited
18. Tecvid Software Consultancy Private Limited
19. Zemex Petrochemical Private Limited
20. Moocity Traders Private Limited
21. Nandan Industries Private Limited
22. Quality Exim Private Limited
23. Dholi Spintex Private Limited
24. Shanti Educational Initiatives Limited

25. Happiness Reserves Foundation
26. Hunky Dory Travel Private Limited
27. Rameswar Retailers LLP
28. Chiripal Renewable Energy Private Limited
29. Blue Terry Private Limited

(c) Firms forming part of the Promoter Group

1. Vyom Developers
2. Ganesh Traders
3. Vraj Investment
4. V S Investment
5. Shanti Developers
6. Shanti Corporation

(d) Hindu Undivided Families (HUFs) forming part of the Promoter Group

1. Vedprakash Devkinandan HUF
2. Jyotiprasad D. Agarwal HUF
3. Jayprakash Devkinandan HUF
4. Brijmohan Devkinandan HUF

(e) Trusts forming part of the Promoter Group

1. Chiripal Charitable Trust
2. SD Education Trust
3. Mile Stone Educom Trust
4. Unity Business Trust-1
5. Agrawal Education Trust

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on August 14, 2021 Group Companies of our Company shall mean (i) the companies with which there were related party transactions as per Ind AS 24 as disclosed in the Restated Financial Statements of the Company for the period ended on September 30, 2021 and for the Fiscals ended on March 31, 2021, March 31, 2020 and March 31, 2019; and (ii) such other company as deemed material by our Board. For the purposes of (ii) above, the Board has, pursuant to its resolution dated August 14, 2021, approved that for the purposes of disclosure in connection with the Issue, there is no other company considered material by the Board which shall be considered as a Group Company of our Company.

Accordingly, in terms of the policy adopted by our Board for determining group companies, our Board has identified following as Group Companies:

1. Nandan Denim Limited;
2. Vishal Fabrics Limited;
3. CIL Nova Petrochemicals Limited;
4. Shanti Educational Initiatives Limited;
5. Chiripal Poly Films Limited;
6. Chiripal Industries Limited;
7. Dholi Spintex Private Limited;
8. Nova Textiles Private Limited;
9. Chiripal Textile Mills Private Limited;
10. Shanti Academic Private Limited;
11. Shanti Innovation and Research Foundation;
12. Nandan Industries Private Limited;
13. Tripoli Management Private Limited; and
14. Shanti Exports Private Limited

DETAILS OF OUR TOP FIVE GROUP COMPANIES

The details of our top five Group Companies (based on market capitalisation one month prior to the date of this Draft Red Herring Prospectus, in the case of our listed Group Companies and turnover, in the case of unlisted Group Companies) are provided below:

1. **NANDAN DENIM LIMITED**

Corporate Information:

Nandan Denim Limited is a listed company having its registered office at Survey No. 198/1 203/2 Saijpur, Gopalpur Pirana Road, Piplej, Ahmedabad, Gujarat – 382405, India. It was incorporated on August 09, 1994, under the Companies Act, 1956. The corporate identification number of Nandan Denim Limited is L51909GJ1994PLC022719.

Financial Performance:

In accordance with the SEBI ICDR Regulations, certain financial information such as reserves (excluding revaluation reserve), sales, profit after tax, earnings per share, diluted earnings per share and net asset value in relation to Nandan Denim Limited for three previous Fiscals 2021, 2020 and 2019, extracted from its audited financial statements (as applicable) is available at the website <https://nandandenim.com/wp-content/uploads/2021/10/Financial-Data-as-per-ICDR-amendment.pdf>.

2. VISHAL FABRICS LIMITED**Corporate Information:**

Vishal Fabrics Limited is a listed company having its registered office at Ranipur Narol Road, Ahmedabad, Gujarat – 382405, India. It was incorporated on October 22, 1985, under the provisions of the Companies Act, 1956. The corporate identification number of Vishal Fabrics Limited is L17110GJ1985PLC008206.

Financial Performance:

In accordance with the SEBI ICDR Regulations, certain financial information such as reserves (excluding revaluation reserve), sales, profit after tax, earnings per share, diluted earnings per share and net asset value in relation to Vishal Fabrics Limited for three previous Fiscals 2021, 2020 and 2019, extracted from its audited financial statements (as applicable) is available at the website <https://vishalfabricsltd.com/wp-content/uploads/2021/10/WebSite-Data.pdf>.

3. CIL NOVA PETROCHEMICALS LIMITED**Corporate Information:**

CIL Nova Petrochemicals Limited is a listed company having its registered office at Survey No. 396 (P), 395/4 (P), Moraiya Village, Sarkhej – Bavla Highway, Tal. Sanand, Ahmedabad - 382210, Gujarat, India. It was incorporated on December 17, 2003, under the Companies Act, 1956. The corporate identification number of CIL Nova Petrochemicals Limited is L17111GJ2003PLC043354.

Financial Performance:

In accordance with the SEBI ICDR Regulations, certain financial information such as reserves (excluding revaluation reserve), sales, profit after tax, earnings per share, diluted earnings per share and net asset value in relation to CIL Nova Petrochemicals Limited for three previous Fiscals 2021, 2020 and 2019, extracted from its audited financial statements (as applicable) is available at the website <http://cnpcl.com/wp-content/uploads/2021/10/Group-Companies-Financial-Data.pdf>.

4. SHANTI EDUCATIONAL INITIATIVES LIMITED

Corporate Information:

Shanti Educational Initiatives Limited is a listed company having its registered office at 1909 - 1910, D Block, West Gate Nr. YMCA Club, S. G. Highway Ahmedabad – 380051, Gujarat, India. It was incorporated on May 12, 1988, under the Companies Act, 1956. The corporate identification number of Shanti Educational Initiatives Limited is L80101GJ1988PLC010691.

Financial Performance:

In accordance with the SEBI ICDR Regulations, certain financial information such as reserves (excluding revaluation reserve), sales, profit after tax, earnings per share, diluted earnings per share and net asset value in relation to Shanti Educational Initiatives Limited for three previous Fiscals 2021, 2020 and 2019, extracted from its audited financial statements (as applicable) is available at the website <http://sei.edu.in/downloads/Financial%20Details%20of%20Group%20Companies.pdf>.

5. CHIRIPAL POLY FILMS LIMITED

Corporate Information:

Chiripal Poly Films Limited is a public company limited by shares having its registered office at 109/110 Peninsula Centre Dr. S. S. Rao Road, Parel Mumbai –400012, Maharashtra, India. It was incorporated on August 31, 2009, under the Companies Act, 1956. The corporate identification number of Chiripal Poly Films Limited is U17120MH2009PLC195352.

Financial Performance:

In accordance with the SEBI ICDR Regulations, certain financial information such as reserves (excluding revaluation reserve), sales, profit after tax, earnings per share, diluted earnings per share and net asset value in relation to Chiripal Poly Films Limited for three previous Fiscals 2021, 2020 and 2019 extracted from its audited financial statements (as applicable) is available at the website <https://chiripalpolyfilms.in/policies.php>.

DETAILS OF OUR OTHER GROUP COMPANIES

1. CHIRIPAL INDUSTRIES LIMITED

Chiripal Industries Limited is a public company limited by shares having its registered office at Survey No. 199 200/1 & 200/2 Saijpur – Gopalpur Pirana Road Piplej Ahmedabad –382405, Gujarat, India. It was incorporated on April 27, 1988, under the provisions of the Companies Act, 1956. The corporate identification number of Chiripal Industries Limited is U17110GJ1988PLC010634.

2. DHOLI SPINTEX PRIVATE LIMITED

Dholi Spintex Private Limited is a private company limited by shares having its registered office at Unit No. 110, Peninsula Centre, Dr. S.S. Rao Road, Behind Piramal Chambers, Parel (E), Mumbai - 400012, Maharashtra, India. It was incorporated on March 17, 2016, under the Companies Act, 2013. The corporate identification number of Dholi Spintex Private Limited is U17200MH2016PTC274530.

3. NOVA TEXTILES PRIVATE LIMITED

Nova Textiles Private Limited is a private company limited by shares having its registered office at 109/110, Peninsula Centre Dr. S.S. Rao Road, Parel Mumbai – 400012, Maharashtra, India. It was incorporated on July 3, 2012, under the Companies Act, 1956. The corporate identification number of Nova Textiles Private Limited is U17291MH2012PTC232886.

4. CHIRIPAL TEXTILE MILLS PRIVATE LIMITED

Chiripal Textile Mills Private Limited is a private company limited by shares having its registered office at Survey No. 277/A & 297, Dholi Integrated Spinning Park Ltd., Dholi - Dholka Ahmedabad – 382240, Gujarat, India. It was incorporated on June 19, 1981, under the Companies Act, 1956. The corporate identification number of Chiripal Textile Mills Private Limited is U17110GJ1981PTC004442.

5. SHANTI ACADEMIC PRIVATE LIMITED

Shanti Academic Private Limited is a private company limited by shares having its registered office at Chiripal House, near Shivranjani Crossroads, Satellite Ahmedabad – 380015, Gujarat, India. It was incorporated on July 28, 2012, under the Companies Act, 1956. The corporate identification number of Shanti Academic Private Limited is U80301GJ2012PTC071332.

6. SHANTI INNOVATION AND RESEARCH FOUNDATION

Shanti Innovation and Research Foundation is a Section 8 company having its registered office at Chiripal House, near Shivranjani Crossroads, Satellite, Ahmedabad – 380015, Gujarat, India. It was incorporated on February 2, 2012, under the Companies Act, 1956. The corporate identification number of Shanti Innovation and Research Foundation is U80301GJ2012NPL068844.

7. NANDAN INDUSTRIES PRIVATE LIMITED

Nandan Industries Private Limited is a private company limited by shares having its registered office at Chiripal House, Nr. Shivranjani Cross Road, Satellite, Ahmedabad – 380015, Gujarat, India. It was incorporated on April 21, 2016, under the Companies Act, 2013. The corporate identification number of Nandan Industries Private Limited is U17299GJ2016PTC091630.

8. TRIPOLI MANAGEMENT PRIVATE LIMITED

Tripoli Management Private Limited is a private company limited by shares having its registered office at “Chiripal House”, 1st Floor, Shivranjani Cross Road, Satellite, Ahmedabad – 380015, Gujarat, India. It is incorporated on April 27, 1993, under the Companies Act, 1956. The corporate identification number of Tripoli Management Private Limited is U74140GJ1993PTC103143.

9. SHANTI EXPORTS PRIVATE LIMITED

Shanti Exports Private Limited is a private company limited by shares having its registered office at Chiripal House, Opp. Asopalav Party Plot, Satellite Road, Ahmedabad – 380015, Gujarat, India. It was incorporated on September 22, 1998, under the Companies Act, 1956. The corporate identification number of Shanti Exports Private Limited is U17119GJ1998PTC034696.

NATURE AND EXTENT OF INTEREST OF OUR GROUP COMPANY

a) In the promotion of our Company

Our Group Companies do not have any interest in the promotion of our Company.

b) In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Except as provided herein below, our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus:

Our Company has entered into a license agreement with Shanti Educational Initiatives Limited (our Group Company) for use of its registered office situated at 109, Peninsula Centre, Dr. S.S. Rao Road, Parel, Mumbai, Maharashtra.

c) In transactions for acquisition of land, construction of building and supply of machinery

Except as provided herein below, our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery:

Our Company has entered into a license agreement with Shanti Educational Initiatives Limited (our Group Company) for use of its registered office situated at 109, Peninsula Centre, Dr. S.S. Rao Road, Parel, Mumbai, Maharashtra.

LITIGATION

Except as stated in the chapter titled ***“Outstanding Litigations and Material Developments”*** beginning on page 368 of this Draft Red Herring Prospectus, there is no pending litigation involving any Group Companies which may have a material impact on our Company.

COMMON PURSUITS BETWEEN OUR GROUP COMPANIES AND OUR COMPANY

The predominant business activity of our Company is manufacturing of terry towels & toweling products. Apart from manufacturing terry towels & toweling products, our Company is also engaged in the business of manufacturing and selling cotton yarn and woven fabric cloth. The object clause or constitutional documents of our Group Companies permit them to undertake similar business to that of the business of the Company. Some of our Group Companies are engaged or may be engaged in the business of manufacturing and/or selling cotton yarn and/or fabric cloth which is in conflict of interest with the business of the Company. However, none of our Group Companies is engaged in the business of manufacturing and/or selling terry towels & toweling products. For details, see ***“Risk Factors - Our Promoters and Directors are also interested as a shareholder or director or partner in Group Companies, corporate Promoters and entities in Promoter Group that are engaged in the business similar to our Company. In addition, our Group Companies, corporate Promoters and entities in Promoter Group are engaged in the business similar to our Company. This may lead to conflict of interest of our Group Companies, corporate Promoters and entities in Promoter Group with our Company”*** on page 50 of this Draft Red Herring Prospectus.

Related Business Transactions Within the Group and Significance on The Financial Performance of Our Company:

Except as disclosed in “*Restated Financial Statements – Note 42 (Related Parties Disclosures)*” on page 307 of this Draft Red Herring Prospectus, there are no related business transactions with the Group Companies.

Business Interests or Other Interests:

Except in the ordinary course of business and as stated in “*Restated Financial Statements – Note 42 (Related Parties Disclosures)*” on page 307 of this Draft Red Herring Prospectus, none of our Group Companies have any business interest in our Company.

DIVIDEND POLICY

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Articles of Association and provisions of the SEBI LODR and other applicable laws. The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and applicable law, including the Companies Act.

The dividend policy of our Company was adopted and approved by our Board in their meeting held on August 14, 2021. The declaration or payment of dividend, if any, will depend on number of factors such as:

Internal factors: Liquidity position including present and expected obligations, profits, present and future capital expenditure plans, financial commitments with respect to outstanding borrowings, business expansion or diversification requirements and cost of borrowings.

External factors: State of the economy and capital markets, applicable taxes including dividend distribution tax and changes in regulatory requirements.

Our Company may pay dividend by cheque or warrant or any electronic mode, as may be approved by our Board in the future.

Our Company may also, from time to time, declare interim dividends. In addition, our ability to pay dividends may be impacted by number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

We have not declared any dividends on the Equity Shares for Fiscals 2019, 2020 and 2021 and for the period starting from April 1, 2021 till the date of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL STATEMENTS

RESTATED FINANCIAL STATEMENTS

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Independent Auditor's Examination Report on Restated Financial Statements

The Board of Directors

Nandan Terry Limited,

(Formerly known as Nandan Terry Private Limited)

Add: Unit No. 109, Peninsula Centre, Dr. S. S. Rao Road,
Behind Piramal Chambers, Parel (E),
Mumbai-400012, Maharashtra, India.

Dear Sirs,

1. We have examined the attached Restated Financial Information of Nandan Terry Limited (Formerly known as Nandan Terry Private Limited) (the "**Company**"), comprising the Restated Statement of Assets and Liabilities as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the six months ended September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on 4th December, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("**SEBI**"), the stock exchanges i.e., National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) where the equity shares of the Company are proposed to be listed ("**Stock Exchanges**") and the Registrar of Companies, Mumbai, Maharashtra ("**ROC**"), in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note No. 2 in Annexure V to the Restated Financial Information.
3. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Financial Information taking into consideration:
- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated June 17, 2021 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 Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist the board of directors in meeting their responsibilities in relation to the compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

5. These Restated Financial Information have been compiled by the management from:
- a) Audited special purpose interim financial statements of the Company as at and for six months period ended September 30, 2021 prepared in accordance with Accounting Standard (AS) 25 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "**Special Purpose Interim Financial Statements**") which have been approved by the Board of Directors at their meeting held on December 04, 2021.
 - b) Audited financial statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with the with the accounting standards notified under the section 133 of the Act ("**Indian GAAP**") and other accounting principles generally accepted in India, at the relevant time, which have been approved by the Board of Directors at their meetings held on June 28, 2021, November 12, 2020 and September 4, 2019 respectively. And,
 - c) The financial information for the six months ended September 30, 2021 as well as for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 included in such restated financial information have been prepared by the management by preparing pro-forma Ind-AS financial statements wherein Ind-AS transition / restatement adjustments have been made to the audited financial statements of the Company [referred to in para 5(a) & 5(b) above] as at and for the six months ended September 30, 2021 as well as the year ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with the accounting standards notified under the section 133 of the Act ("**Indian GAAP**") which was approved by the Board of directors at their meeting held on December 04, 2021.
6. For the purpose of our examination, we have relied on:
- a) Auditors' report issued by us dated December 04, 2021 on the special purpose interim financial statements of the Company as at and for the six-month period ended September 30, 2021 as referred in Paragraph 5(a) above;

- b) Auditors' Report issued us dated June 28, 2021, November 12, 2020 and September 4, 2019 on the financial statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively, as referred in Paragraph 5 (b) above.

The Ind-AS transition and restatement adjustments made to such audited financial statements [referred to in 6 (a) and (b) above] to comply with Ind-AS along with the basis of preparation set out in Note 2 of Annexure V to the Restated Financial Information and statement of reconciliation thereof set out in Annexure VII, have been audited by us.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the six months period ended September 30, 2021;
- b) does not contain any qualification requiring adjustments.
- c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 5 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, Stock Exchanges and ROC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, **C. N. Somani & Associates,**
Chartered Accountants,
FRN: 118147W

SD/-

C. N. Somani,
Proprietor,
Mem. No.: 017859
UDIN: 21017859AAAALW3280

Place: Ahmedabad
Date: 04.12.2021

Nandan Terry Limited
(Formerly known as Nandan Terry Private Limited)
CIN: U17291MH2015PLC261384

Annexure - I - Restated Assets and Liabilities

(All amounts are rupees in lakhs unless otherwise stated)

Particulars		Note No.	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
A	ASSETS					
1	Non-current assets					
	(a) Property, Plant and Equipment	4	41,528.76	41,649.03	44,124.39	46,475.88
	(b) Capital work-in-progress	5	228.59	115.83	-	-
	(c) Intangible assets	6	101.05	89.00	82.33	49.43
	(d) Financial Assets					
	(i) Investments	7	410.10	188.70	89.70	322.20
	(ii) Others	8	560.47	317.74	187.18	199.10
	(e) Deferred tax assets (net)	9	-	-	348.79	591.07
	(f) Other non-current assets	10	762.80	977.13	1,021.26	311.90
	Total Non - Current Assets		43,591.77	43,337.43	45,853.65	47,949.57
2	Current assets					
	(a) Inventories	11	8,782.54	7,340.40	6,296.01	7,732.99
	(b) Financial Assets					
	(i) Trade receivables	12	14,858.21	10,185.63	8,577.25	6,982.38
	(ii) Cash and cash equivalents	13	232.29	2,076.26	397.95	42.86
	(iii) Other Financial assets	8	13.03	13.03	0.34	0.34
	(c) Current Tax Assets (Net)	14	48.60	22.14	5.41	8.27
	(d) Other current assets	10	5,937.44	4,994.92	4,398.23	3,067.49
	Total Current Assets		29,872.11	24,632.38	19,675.19	17,834.33
	Total Assets (1+2)		73,463.88	67,969.81	65,528.84	65,783.90
B	EQUITY AND LIABILITIES					
1	Equity					
	(a) Share capital	15	4,576.24	1,525.41	1,525.41	1,525.41
	(b) Other Equity	16	10,332.37	10,169.23	7,764.62	7,848.00
	Total equity		14,908.61	11,694.64	9,290.03	9,373.41
	LIABILITIES					
2	Non-current liabilities					
	(a) Financial Liabilities					
	(i) Borrowings	17	39,537.37	42,405.15	41,233.96	41,476.07
	(ii) Other financial liabilities	18				974.37
	(b) Provisions	19	127.59	99.79	69.25	35.21
	(c) Deferred tax liabilities (Net)	20	1,576.61	481.21	-	-
	Total Non - Current Liabilities		41,241.57	42,986.15	41,303.21	42,485.65
3	Current liabilities					
	(a) Financial Liabilities					
	(i) Borrowings	17	6,171.88	5,151.98	7,725.28	6,279.92
	(ii) Trade payables	21	5,095.21	3,270.83	4,540.05	2,447.03
	(iii) Other financial liabilities	18	5,973.32	4,762.00	2,578.75	5,147.03
	(b) Other current liabilities	22	29.14	76.33	72.01	38.90
	(c) Provisions	19	44.15	27.88	19.51	11.96
	Total Current Liabilities		17,313.70	13,289.03	14,935.60	13,924.84
	Total Equity and Liabilities (1+2+3)		73,463.88	67,969.81	65,528.84	65,783.90

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Financial information appearing in Annexure VII.

As per our report of even date attached.

For and On Behalf of

C. N. Somani & Associates

Chartered Accountants

FRN : 118147W

SD/-

C. N. Somani

Proprietor

M. NO. : 017859

UDIN:- 21017859AAAALW3280

For and on behalf of the Board of Directors of

Nandan Terry Limited

SD/-

Ronak Chiripal

Chief Executive Officer

SD/-

Anshuman Srivastava

Chief Financial Officer

SD/-

Brijmohan Chiripal

Director

DIN: 00290426

SD/-

Vipin Rajput

Director

DIN: 08700962

SD/-

Deval Patel

Company Secretary

Place : Ahmedabad

Date : 04.12.2021

Place: Ahmedabad

Date : 04.12.2021

Nandan Terry Limited
(Formerly known as Nandan Terry Private Limited)
CIN: U17291MH2015PLC261384
Annexure-II Restated Statement of Profit and Loss
(All amounts are rupees in lakhs unless otherwise stated)

Particulars	Note No.	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
INCOME					
I Revenue from operations	23	50181.18	53852.43	42938.62	32216.59
II Other Income	24	26.26	41.69	30.86	26.16
III Total Income (I + II)		50207.44	53894.12	42969.48	32242.75
IV EXPENSES					
(g) Cost of materials consumed	25	36852.05	31951.83	22855.23	19217.50
(h) Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	-1606.09	-17.47	1432.39	-1789.29
(i) Employee benefit expense	27	2536.03	3622.59	4156.46	3358.92
(j) Finance costs	28	1588.79	2942.66	3185.29	3385.70
(k) Depreciation and amortization expense	29	1342.53	2636.31	2634.52	1733.48
(l) Other expenses	30	5387.82	9612.94	8310.16	6374.67
Total Expenses		46101.13	50748.86	42574.05	32280.98
V Profit/(loss) before tax (III- IV)		4106.31	3145.26	395.43	-38.23
VI Tax Expense					
(c) Current tax	31	0.00	0.00	0.00	0.00
(d) Deferred tax liability / (assets)	31	1044.30	807.51	273.03	12.18
Total tax expense		1044.30	807.51	273.03	12.18
VII Profit/(loss) after tax from continuing operations (V – VI)		0.00	2337.74	122.40	-50.41
VII Profit/(loss) for the period (V-VI)		3062.02	2337.74	122.40	-50.41
VIII Other Comprehensive Income					
(iii) Items that will not be reclassified to profit or loss					
(c) Remeasurements of the defined benefit plans	32	-18.35	-9.63	-4.04	0.00
(d) Equity instruments through other comprehensive income	32	221.40	99.00	-232.50	-411.30
(iv) Income tax relating to items that will not be reclassified to profit or loss	32	-51.10	-22.49	30.76	135.99
Total Other Comprehensive Income		151.95	66.88	-205.78	-275.31
IX Total comprehensive income for the period (VII+VIII)		3213.97	2404.62	-83.38	-325.72

Particulars	Note No.	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
X Basic & diluted earnings per share of face value of Rs.10 each Fully Paid up					
(c) Basic		6.69	5.11	0.27	-0.11
(d) Diluted		6.69	5.11	0.27	-0.11
<p>The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Financial information appearing in Annexure VII.</p> <p>As per our report of even date attached.</p>					
For and On Behalf of: C. N. Somani & Associates Chartered Accountants FRN : 118147W		For and on behalf of the Board of Directors of Nandan Terry Limited			
SD/- C. N. Somani Proprietor M. No. : 017859 UDIN:- 21017859AAAALW3280		SD/- Ronak Chiripal Chief Executive Officer		SD/- Anshuman Srivastava Chief Financial Officer	
		SD/- Brijmohan Chiripal Director DIN: 00290426	SD/- Vipin Rajput Director DIN: 08700962	SD/- Deval Patel Company Secretary	
Place : Ahmedabad Date : 04.12.2021		Place: Ahmedabad Date : 04.12.2021			

Nandan Terry Limited
(Formerly known as Nandan Terry Private Limited)
CIN: U17291MH2015PLC261384
Annexure – III Restated Statement of Changes in Equity
(All amounts are rupees in lakhs unless otherwise stated)

Equity Share Capital					
Particulars	Note No.	Amount Rs. In Lacs			
Balance as on April 1, 2018	15	1525.41			
Changes during the year		0.00			
Balance as on March 31, 2019	15	1525.41			
Changes during the year		0.00			
Balance as on March 31, 2020	15	1525.41			
Changes during the year		0.00			
Balance as on March 31, 2021	15	1525.41			
Changes during the period		3050.82			
Balance as on September 30, 2021	15	4576.24			
Other Equity					
Particulars	Note No.	Reserves and Surplus		Equity Securities Premium	Total
		Retained Earnings			
		Profit and Loss	Other Comprehensive Income		
Balance as at April 1, 2018	16	597.80	31.33	7544.59	8173.73
Profit for the year		-50.41	0.00	0.00	-50.41
Other comprehensive income for the year (net of Tax)		0.00	-275.31	0.00	-275.31
Balance as at March 31, 2019	16	547.39	-243.98	7544.59	7848.00
Profit for the year		122.40	0.00	0.00	122.40
Other comprehensive income for the year (net of Tax)		0.00	-205.78	0.00	-205.78
Balance as at March 31, 2020	16	669.79	-449.76	7544.59	7764.62
Profit for the year		2337.74	0.00	0.00	2337.74
Other comprehensive income for the year (net of Tax)		0.00	66.88	0.00	66.88
Balance as at March 31, 2021	16	3007.53	-382.88	7544.59	10169.24
Profit for the period		3062.02	0.00	0.00	3062.02
Other comprehensive income for the period (net of Tax)		0.00	151.95	0.00	151.95
Issue of full paid-up bonus shares		0.00	0.00	-3050.82	-3050.82
Share issue expenses		0.00	0.00	-51.26	-51.26
Balance as at September 30, 2021	16	6069.55	-230.93	4493.77	10332.37

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Financial information appearing in Annexure VII.

As per our report of even date attached.

For and On Behalf of:
C. N. Somani & Associates
Chartered Accountants
FRN : 118147W

For and on behalf of the Board of Directors of
Nandan Terry Limited

SD/-

SD/-

Ronak Chiripal
 Chief Executive Officer

Anshuman Srivastava
 Chief Financial Officer

SD/-

C. N. Somani

Proprietor

M. No. : 017859

UDIN:- 21017859AAAALW3280

Place : Ahmedabad

Date : 04.12.2021

SD/-

SD/-

SD/-

Brijmohan Chiripal

Director

DIN : 00290426

Vipin Rajput

Director

DIN:08700962

Deval Patel

Company Secretary

Place: Ahmedabad

Date : 04.12.2021

Nandan Terry Limited
(Formerly known as Nandan Terry Private Limited)
CIN: U17291MH2015PLC261384

Annexure IV – Restated Statement of Cash Flows
(All amounts are rupees in lakhs unless otherwise stated)

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
Cash flow from operating activities				
Profit before tax	4,106.31	3,145.25	395.43	-38.23
Adjustments for:				
Depreciation and amortisation expense	1,342.53	2,636.31	2,634.52	1,733.48
Finance costs	1,588.79	2,942.66	3,185.29	3,385.70
Provision for expected credit Loss or reversal thereof	-2.58	0.44	1.35	2.83
Bad-debt written off	-	-	-	18.93
Interest income	-23.69	-21.10	-30.86	-21.36
Dividend income	-	-	-	-4.80
Amortisation of Prepayment charges	22.13	44.13	31.50	0.08
Operating profit before working capital changes	7,033.49	8,747.69	6,217.23	5,076.63
Changes in operating assets and liabilities:				
(Increase)/Decrease in Inventories	-1,442.14	-1,044.40	1,436.99	-2,615.11
(Increase)/Decrease in Trade receivables	-4,670.00	-1,608.82	-1,596.23	-3,003.63
(Increase)/Decrease in Other Non-Current Financial Assets	-2.00	-	76.18	-
(Increase)/Decrease in Other Current Financial Assets	-	-12.69	-	5.96
(Increase)/Decrease in Other Current Assets	-942.51	-599.15	-1,326.70	1,194.16
Increase/(Decrease) in Trade Payables	1,824.38	-1,269.22	2,093.02	1,025.89
Increase/(Decrease) in Other Current Liabilities	-47.20	4.32	33.11	-12.06
Increase/(Decrease) in Provisions (Current Liabilities)	9.45	20.91	30.01	35.21
Increase/(Decrease) in Provisions (Non-Current Liabilities)	16.26	8.37	7.55	11.96
Cash flow generated from operations	1779.75	4,247.01	6,971.16	1,719.01
Direct taxes Paid (net)	-26.47	-14.26	-1.18	-60.43
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)	1753.28	4,232.75	6,969.98	1,658.58
Cash flows from investing activities				
Purchase of Property, Plant and Equipments	-1,154.85	-283.46	-2,031.17	31.95
Proceeds from sale of Property, Plant and Equipments	-	-	-	-
Interest received	23.69	21.10	30.86	21.36
Dividend received	-	-	-	4.80
Bank deposits (made) / matured	-240.73	-130.56	-64.27	887.49
NET CASH INFLOW / (OUFLOW) FROM INVESTING ACTIVITIES (B)	-1,371.89	-392.92	-2,064.58	945.60
Cash flows from financing activities				
Proceeds / (Repayments) of Non-current Borrowings	-1,656.46	3,354.44	-2,810.38	-563.16
Proceeds / (Repayments) of Current Borrowings	1,019.91	-2,573.30	1,445.36	1,348.35
Finance costs Paid	-1,588.79	-2,942.66	-3,185.29	-3,385.70

Annexure V Significant Accounting Policies

1. Corporate information:

The Nandan Terry Limited ('the Company') (formerly known "The Nandan Terry Private Limited") is a public company, limited by shares incorporated on January 27, 2015 under the provisions of the Companies Act, 2013, having its registered office at Unit No. 109, Peninsula Centre, Dr. S. S. Rao Road, Behind Piramal Chambers, Parel (E), Mumbai, Maharashtra, India. Initially the company was incorporated as a private company and then converted into public Company on August 12, 2021.

The Company is engaged in the business of manufacturing and selling of terry towel products, having its manufacturing unit located at Plot No. 5, 6, 7, Dholi Integrated Spinning Park, Village Dholi, Tal.: Dholka, Dist.: Ahmedabad, Gujarat, India.

2. Basis of Preparation

a. Statement of compliance:

The Restated Statement of Assets and Liabilities of the Company as at September 30, 2021, March 31, 2021, March 31, 2020 & March 31, 2019 and;

The Restated Statement of Profit and Loss, Restated Statement of Changes in Equity & Restated Statement of Cash Flows for six months ended September 30, 2021 as well as the year ended March 31, 2021, March 31, 2020 & March 31, 2019 (hereinafter collectively referred to as "Restated Financial Information");

have been prepared specifically for inclusion in the Draft Red Herring Prospectus (DRHP) to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") through Offer for Sale of its equity shares. This financial information was authorised for issue board of directors of the company on 4th December, 2021.

The Restated Financial Information of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) and notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof. These Restated Financial Information have been prepared to comply in all material respects with the requirements of

Section 26 of Part I of Chapter III to the Companies Act, 2013 (the "Act"),

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the SEBI regulations") and,

The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended from time to time.

The audited special purpose interim financial statements of the Company as at and for six months period ended September 30, 2021 prepared in accordance with recognition and measurement principles under Accounting Standard ('AS') 25 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 4th December, 2021.

The audited financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") at the relevant time which were approved by the Board of Directors at their meeting held on June 28, 2021, November 12, 2020 and September 4, 2019 respectively.

Therefore in order to comply with requirements of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended; read with Section 133 of the Companies Act, 2013 ("the Act"), the previous financial information for six months ended September 30, 2021 as well as for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 included in such Indian GAAP audited financial statements is reclassified / remeasured to Ind-AS, by preparing proforma Ind-AS financial statements which were approved by board of directors of the company at their meeting held on 4th December, 2021.

The proforma Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for six months ended September 30, 2021 as well as for the year ended March 31, 2021, March 31, 2020, and March 31, 2019. The Company has presented an explanation of how the transition to IND-AS has affected the previously reported total equity and profits of the company.

Refer Annexure VII - "**The Statement of Adjustments to Restated Financial Information**" for details of restatement / transitional adjustments made to net profit as well as equity of the audited financial statement along with reconciliation thereof.

b. Functional and presentation currency:

The restated financial information has been presented in Indian Rupees (₹), which is also the company's functional currency. All amounts are in rupees, unless otherwise stated.

c. Basis of measurement:

The restated financial information has been prepared on the historical cost basis except for following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value
Net defined benefit liability	Present value of defined benefit obligation less fair value of plant assets (if any)

d. Use of estimates and judgements:

The preparation of the restated financial information in conformity with the recognition and measurement principles of Ind AS, requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at each reporting date and the reported amounts of income and expense for the periods presented. The estimates and assumptions used in the accompanying restated financial information are based upon management's evaluation of relevant facts and circumstances as at each reporting date. Management believes that the estimates used in the preparation of restated financial information are prudent and reasonable. Actual results could differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at each reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are specified here-in-after:

Useful lives of property, plant and equipment

The Company is providing depreciation at the rates derived based on the useful life specified under Schedule-II to the Companies Act, 2013. The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the restated financial information. A contingent asset is neither recognised nor disclosed in the restated financial information.

Major provisions recognized in the restated financial information and related accounting policy are specified as under:

Measurement of defined benefit obligations - Refer Notes 19 & 35 of restated financial information, Current / Deferred tax liabilities - Refer Notes 9, 14, 20, 31 & 32 of restated financial information, Impairment of financial assets - Refer Note 12 of restated financial information.

Other estimates:

The preparation of restated financial information involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the reporting date and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

3. Significant Accounting Policies:

a) Revenue recognition:

The Company derives revenue principally from sale of its products: terry towels.

i. Sale of Goods:

The Company recognizes revenue from sale of goods when it satisfies a performance obligation in accordance with the provisions of contract / invoicing with the customer.

This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence & loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. Hence in case where there is no uncertainty as to measurement or collectability of consideration, revenue is recognised as soon as the control of the products has been given. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company considers expenses incurred for shipping, handling and transportation activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping, handling and transportation costs are recorded as a component of revenue.

In certain customer contracts, shipping, handling and transportation services are treated as a distinct separate performance obligation and the Company recognizes revenue for such services when the performance obligation is completed.

The Company considers the terms of the contract / invoicing in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting discounts, volume rebates etc.

In company's case, no element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

ii. Sale of Services - Job work charges:

The Company recognizes revenue from sale of services when it satisfies a performance obligation in accordance with the provisions of contract / invoicing with the customer. Generally, revenue is recognised post provision of services to the customers.

ii. Other Operating Revenue:

Export incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received in accordance with the policy of Government Grants and Subsidies specified at note no. 3(j).

The company recognizes revenue from scrap sale as and when the scrap is sold to the customer and there is no uncertainty of the collection from the customer.

b) Other Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at

the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the right to receive such income is established.

c) Property, Plant & Equipment:

Buildings & leasehold assets held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of assets & liabilities at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction (CWIP) for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

All other Property, Plant and Equipments are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than leasehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

d) Depreciation on Property, Plant & Equipment:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property, plant and equipment is provided using the Straight-Line Method (SLM) over the useful lives specified under Schedule II to the Companies Act, 2013 which is specified below:

Particulars of asset category (Property, Plant & Equipment)	Useful life (In Years)	Reference
Buildings	30	In line with Sch. II of the
Plant & Machineries	15	

Furniture & Fixture	10	Companies Act, 2013
Vehicles	8	
Office Equipments	5	
Computers	3	

For amortisation of leasehold assets refer accounting policy specified at note no. 3(i).

e) Intangible Assets and Amortization:

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, commencing from the date the asset is available to the Company for its intended use.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Details of useful lives over which intangible assets are amortized are stated below:

Particulars of asset category (Intangible Assets)	Useful Life (Years)
Computer Software	5 Years
Website Development	5 Years

f) Impairment of Property, Plant & Equipment and intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not

been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

g) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

h) Inventories:

Raw Materials, Packing Materials, Stores and Spares

Raw Materials, Packing Materials, Stores & Spares and consumables are valued at lower of cost (net of refundable taxes and duties) and net realizable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their location and condition. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished Goods and Work-in-progress

Work-in-progress and finished goods are valued at lower of cost and net realizable value. The cost of work-in-progress of inventory is determined on weighted average basis. The cost of work-in-progress and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition. Obsolete, slow moving and defective inventories are identified and provided for.

i) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right to use the assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortized on a straight-line basis over the lease term. If the Leasehold assets are being utilised for construction of other assets, amortization charge of the same during construction phase of the manufacturing plant is capitalised as a part of Capital Work-in-progress and then transferred to respective heads of Property, Plant & Equipment upon completion of plant.

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are fixed payments. In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification due to a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset unrecognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Government Grants and Subsidies:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended

to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of assets & liabilities and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. The same are presented under 'Other Operating Revenue' in the statement of profit and loss, except for grants received in the form of rebate or exemptions which are deducted in reporting the related expense.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

k) Financial Instruments:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

ii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

iii. Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

iv. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are

recognized at the proceeds received, net of direct issue costs. Issue costs are adjusted to premiums received at the time of share issue.

v. Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables,
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables),
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables.

Provision matrix is developed considering the following:

- a. historical credit loss experience, adjusted as appropriate to reflect current conditions and reasonable & supportable forecasts of future economic conditions,
- b. the number of days that a trade receivable is past due,
- c. Appropriate grouping or segmentation if the historical experience shows different loss patterns for different customer segments, e.g., geographical region, customer rating, product type etc.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12- month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible

to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within current borrowings in current liabilities.

m) Foreign currency:

The functional currency of the company is Indian rupee.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the reporting date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

n) Retirement and other employee benefits:

i. Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognizes related restructuring costs or termination benefits.

ii. Defined contribution plans

Contribution to defined contribution plans is recognised as expense when employees have rendered services entitling them to such benefits.

iii. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

o) Income Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income

or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the restated financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

p) Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q) Earnings per equity share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the restated financial information by the Board of Directors.

r) Dividend:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

s) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Annexure VI - Notes to restated financial information
(All amounts are in Lacs, unless otherwise stated)
Note 4: Property, Plant and Equipment
(Amt. in Lacs.)

Particulars	Leasehold Assets			Freehold Assets						Total
	Land (Dholka)	Land & Building (Pipej)	Office Premise (Mumbai)	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computers	
Gross Carrying Value:										
As at April 1, 2018	3,364.30	9.33	-	13,801.95	32,084.59	223.55	83.64	64.96	80.62	49,712.94
Addition during the year	0.58	-	-	112.23	126.99	27.21	55.08	9.54	34.71	366.34
Deduction during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	3,364.88	9.33	-	13,914.18	32,211.58	250.76	138.72	74.50	115.33	50,079.28
Addition during the year	-	-	0.81	43.37	203.24	5.90	15.70	4.15	2.48	275.65
Deduction during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	3,364.88	9.33	0.81	13,957.55	32,414.82	256.66	154.42	78.65	117.81	50,354.93
Addition during the year	-	-	-	55.67	74.78	1.11	-	15.99	3.38	150.93
Deduction during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	3,364.88	9.33	0.81	14,013.22	32,489.60	257.77	154.42	94.64	121.19	50,505.86
Addition during the year	-	-	10.14	24.68	1,153.38	-	-	14.93	12.96	1,216.09
Deduction during the year	-	-	-	-	-	-	-	-	-	-
As at September 30, 2021	3,364.88	9.33	10.95	14,037.90	33,642.98	257.77	154.42	109.57	134.15	51,721.95
Accumulated Depreciation:										
As at April 1, 2018	-	-	-	-	-	-	-	-	-	-
Addition during the year	33.99	0.31	-	398.49	1,223.33	22.59	12.31	12.77	27.37	1,731.16
Deduction during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	116.97	0.88	-	727.44	2,613.55	44.07	20.59	25.16	54.74	3,603.40
Addition during the year	33.99	0.31	0.41	400.23	2,105.58	24.25	14.84	14.87	32.66	2,627.14

Particulars	Leasehold Assets			Freehold Assets						Total
	Land (Dholka)	Land & Building (Piplej)	Office Premises (Mumbai)	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computers	
Deduction during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	150.96	1.19	0.41	1,127.67	4,719.13	68.32	35.43	40.03	87.40	6,230.54
Addition during the year	33.99	0.31	0.41	400.61	2,116.38	24.43	14.96	16.07	19.13	2,626.29
Deduction during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	184.95	1.50	0.82	1,528.28	6,835.51	92.76	50.39	56.10	106.53	8,856.83
Addition during the year	16.99	0.16	2.54	201.85	1,079.53	12.28	7.50	9.53	5.98	1,336.35
Deduction during the year	-	-	-	-	-	-	-	-	-	-
As at September 30, 2021	201.94	1.66	3.36	1,730.13	7,915.04	105.03	57.89	65.63	112.51	10,193.19
Net Carrying Value:										
As at April 1, 2018	3,281.32	8.76	-	13,473.00	30,694.37	202.07	75.36	52.57	53.25	47,840.70
As at March 31, 2019	3,247.91	8.45	-	13,186.74	29,598.03	206.69	118.13	49.34	60.59	46,475.88
As at March 31, 2020	3,213.92	8.14	0.40	12,829.88	27,695.69	188.34	118.99	38.62	30.41	44,124.39
As at March 31, 2021	3,179.93	7.83	(0.01)	12,484.94	25,654.09	165.02	104.03	38.54	14.66	41,649.03
As at September 30, 2021	3,162.94	7.67	7.59	12,307.77	25,727.94	152.74	96.53	43.94	21.64	41,528.76
<p>Note-i. Assets pledged as security: Refer Note-17 to restated financial information for disclosure of assets pledged as security.</p> <p>Note-ii. Contractual Commitments: Refer Note-33 to restated financial information for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.</p> <p>Note-iii. Disclosures related to leasehold assets: Refer Note-43 to restated financial information for disclosure of leasehold assets and amortisation thereof.</p>										

Annexure VI - Notes to restated financial information			
(All amounts are in Lacs, unless otherwise stated)			
Note 5: Capital Work in Progress	Amount in Lacs		
Balance at April 1, 2018	-		
Addition during the year	365.77		
Capitalised during the year	-365.77		
Balance at March 31, 2019	0.00		
Addition during the year	274.84		
Capitalised during the year	-274.84		
Balance at March 31, 2020	0.00		
Addition during the year	266.76		
Capitalised during the year	-150.93		
Balance at March 31, 2021	115.83		
Addition during the year	1318.70		
Capitalised during the year	-1205.94		
Balance at September 30, 2021	228.59		
Note 6: Other Intangible Assets			
(Amt. in Lacs.)			
Particulars	Computer Software	Website Development	Total
Gross Carrying Value:			
As at April 1, 2018	0.00	3.49	3.49
Addition during the year	48.23	0.00	48.23
Deduction during the year	0.00	0.00	0.00
As at March 31, 2019	48.23	3.49	51.72
Addition during the year	40.37	0.00	40.37
Deduction during the year	0.00	0.00	0.00
As at March 31, 2020	88.60	3.49	92.09
Addition during the year	16.70	0.00	16.70
Deduction during the year	0.00	0.00	0.00
As at March 31, 2021	105.30	3.49	108.79
Addition during the year	18.22	0.00	18.22
Deduction during the year	0.00	0.00	0.00
As at September 30, 2021	123.52	3.49	127.01

Particulars	Computer Software	Website Development	Total
Accumulated Amortisation:			
As at April 1, 2018	-	-	-
Addition during the year	1.60	0.70	2.30
Deduction during the year	-	-	-
As at March 31, 2019	1.60	0.70	2.30
Addition during the year	6.55	0.92	7.47
Deduction during the year	-	-	-
As at March 31, 2020	8.15	1.62	9.77
Addition during the year	9.11	0.92	10.03
Deduction during the year	-	-	-
As at March 31, 2021	17.26	2.54	19.80
Addition during the year	5.72	0.46	6.18
Deduction during the year	-	-	-
As at September 30, 2021	22.98	3.00	25.98
Net Carrying Value:			
As at April 1, 2018	-	3.49	3.49
As at March 31, 2019	46.63	2.79	49.43
As at March 31, 2020	80.45	1.88	82.33
As at March 31, 2021	88.04	0.96	89.00
As at September 30, 2021	100.55	0.50	101.05

Annexure VI - Notes to Restated Financial Information
 (All amounts are in Lacs, unless otherwise stated)

7	<u>Non-Current Investments</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	<u>Investments in Equity Instruments at fair value through Other Comprehensive Income:</u>				
	<u>Quoted</u>				
	Nandan Denim Limited:	410.10	188.70	89.70	322.20

	Equity Shares: 6,00,000 of Rs. 10 paid up (As at March 31, 2021: 6,00,000, March 31, 2020: 6,00,000, As at March 31, 2019: 6,00,000)				
	Total	410.10	188.70	89.70	322.20
		As at	As at	As at	As at
8	<u>Other Financial Assets</u>	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	(Unsecured, considered good; unless otherwise stated)				
	<u>Non-Current</u>				
	Security Deposits	44.62	42.62	42.62	118.80
	Bank Deposits with	515.85	275.12	144.56	80.30
	Total	560.47	317.74	187.18	199.10
	<u>Current</u>				
	Security Deposits	0.34	0.34	0.34	0.34
	Other Financial Assets	12.69	12.69	-	-
	Total	13.03	13.03	0.34	0.34
9	<u>Deferred Tax Asset (Net)</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	<u>Deferred Tax Assets</u>				
	Provision for employee benefit	-	-	22.34	15.60
	Expected Credit Loss - Trade Receivables	-	-	1.05	0.94
	Preliminary Expenses Written Off	-	-	1.01	2.65
	Carried forward business losses	-	-	314.34	412.94
	Unabsorbed Depreciation Unused	-	-	2,232.74	2,651.51
	Tax Credit	-	-	-	61.96
	Gain on Fair Valuation of investments	-	-	150.25	120.51
	Total Deferred Tax Assets	-	-	2,721.73	3,266.11
	<u>Deferred Tax Liabilities</u>				
	Property, Plant and Equipment	-	-	2,349.82	2,662.18
	Gain on Fair Valuation of Investments	-	-	-	-
	Prepayment charges	-	-	23.12	12.86

Provision for employee benefit	-	-	-	-
Total Deferred Tax Liabilities	-	-	2,372.94	2,675.04
Deferred Tax	-	-	348.79	591.07
Note-i. Movement in deferred tax assets / (liabilities) for the year ended March 31, 2020:				
Particulars	As at March 31, 2019	(Charged) /		As at March 31, 2020
		To Profit or loss	To Other Comprehensive	
		nsive		
Provision for employee benefit	15.60	5.73	1.02	22.34
Expected Credit Loss – Trade Receivables	0.94	0.12	-	1.05
Preliminary Expenses Written Off	2.65	-1.64	-	1.01
Carried forward business losses	412.94	-98.61	-	314.34
Unabsorbed Depreciation Unused	2,651.51	-418.77	-	2,232.74
Tax Credit	61.96	-61.96	-	-
Gain on Fair Valuation of investments	120.51	-	29.74	150.25
Written off Expenses	-	-	-	-
Property, Plant and Equipment	-2,662.18	312.36	-	-2,349.82
Prepayment charges	-12.86	-10.26	-	-23.12
Total	591.07	-273.03	30.76	348.79
* Balances in brackets at each reporting date in above table represent deferred tax liabilities.				

Note-ii. Movement in deferred tax assets / (liabilities) for the year ended March 31, 2019:				
Particulars	As at April 1, 2018	(Charged) / Credited		As at March 31, 2019
		To Profit or loss	To Other Comprehensive income	
Provision for employee benefit	-	15.60	-	15.60
Expected Credit Loss - Trade Receivables	-	0.94	-	0.94
Preliminary Expenses Written Off	3.97	-1.32	-	2.65
Carried forward business losses	412.94	-	-	412.94
Unabsorbed Depreciation	1,423.86	1,227.24	-	2,651.51
Unused Tax Credit	59.05	2.92	-	61.96
Gain on Fair Valuation of investments	-15.48	-	135.99	120.51
written off expenses	-	-	-	-
	-1,417.08	-1,245.10	-	-2,662.18

	Property, Plant and Equipment	-	-12.86	-	-12.86
	Prepayment charges	467.26	-12.59	135.99	591.07
	Total				
	* Balances in brackets at each reporting date in above table represent deferred tax liabilities.				
10	<u>Other Assets</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	(Unsecured, considered good; unless otherwise stated)				
	<u>Non-Current</u>				
	Prepayment charges	343.56	365.69	409.82	311.65
	Advances for Capital Goods	419.24	611.44	611.44	0.25
	Total	762.80	977.13	1,021.26	311.90
	<u>Current</u>				
	Prepaid charges	35.73	43.87	33.39	14.75
	Subsidy receivable from government	1,071.22	1,265.75	640.89	294.45
	Advance to Suppliers & Others	261.22	577.14	34.24	320.94
	Export Incentives Receivable	2,520.53	842.29	953.10	423.73
	Balances with Statutory Authorities	1,997.48	2,265.87	2,736.61	2,013.62
	Public Issue Expenses	51.26	-	-	-
	Total	5,937.44	4,994.92	4,398.23	3,067.49
11	<u>Inventories</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Raw materials	2,783.39	2,851.87	1,885.03	2,000.59
	Work-in-Process	4,445.12	3,355.58	2,835.24	2,755.61
	Finished Stock	1,301.81	785.27	1,288.13	2,800.14
	Stores & Spares	252.22	347.68	287.61	176.65
	Total	8,782.54	7,340.40	6,296.01	7,732.99
12	<u>Trade receivables</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Trade Receivables (Unsecured)	-	-	-	-
	Considered Good	14,860.26	10,190.26	8,581.44	6,985.21
	Considered Doubtful	-	-	-	-
		14,860.26	10,190.26	8,581.44	6,985.21
	Less: Expected Credit loss provision	-2.05	-4.63	-4.18	-2.83
	Less: Provision for Doubtful Debts	-	-	-	-
	Total	14,858.21	10,185.63	8,577.25	6,982.38
	Notes:				
	i. Details of receivables from firms / private companies in which directors of the company are partners/directors:				
	Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019

	Receivables from firms / private companies in Which directors of the company are partners / directors	1,547.78	560.33	1,006.88	61.58
	ii. The Company provides an allowance for impairment of doubtful accounts based on financial condition of the customer, aging of the trade receivable and historical experience of collections from customers. The activity in the allowance for impairment of trade receivables is given below:				
	Allowance Movement for Trade Receivables	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Balance at the beginning of the year	4.63	4.18	2.83	-
	Add: Expected credit loss allowance made during the year	-	0.45	1.35	2.83
	Less : Reversal of allowance made during the year	2.58	-	-	-
	Closing Balance	2.05	4.63	4.18	2.83
13	<u>Cash & Cash Equivalents</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Cash on hand	2.69	3.27	3.83	2.11
	In Current Account	229.60	2,072.99	394.12	40.75
	Total	232.29	2,076.26	397.95	42.86
14	<u>Current Tax Assets (Net)</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Advance Income Tax (Net)	48.60	22.14	5.41	8.27
	Less: Provision for Income Tax	-	-	-	-
	Total	48.60	22.14	5.41	8.27
15	<u>Equity Share Capital</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	[i] Authorised Share Capital: 70,000,000 Equity Shares of Rs.10/- (As at March 31, 2021: 20,000,000, As at March 31, 2020: 20,000,000, As at March 31, 2019: 20,000,000)	7,000.00	2,000.00	2,000.00	2,000.00
	[ii] Issued, Subscribed & Paid-up Capital:457,62,360 Equity Shares of Rs. 10/- each fully paid (As at March 31, 2021: 1,52,54,120, As at March 31, 2020: 1,52,54,120, As at March 31, 2019: 1,52,54,120)	4,576.24	1,525.41	1,525.41	1,525.41
	Total	4,576.24	1,525.41	1,525.41	1,525.41
(a)	Reconciliation of the number of shares outstanding and the amount of share capital as at each reporting date is set out below:-				

Particulars	Shares at the beginning		Addition during the year		Shares at the end	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
As at March 31, 2019	1,52,54,120	1525.41	-	-	1,52,54,120.00	1,525.41
As at March 31, 2020	1,52,54,120	1525.41	-	-	1,52,54,120.00	1,525.41
As at March 31, 2021	1,52,54,120	1525.41	-	-	1,52,54,120.00	1,525.41
As at September 30, 2021	1,52,54,120	1525.41	3,05,08,240.00	3,050.82	4,57,62,360.00	4,576.24

(b) The details of shareholders holding more than 5% shares is set out below.

Name of Shareholder	As at September 30, 2021		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
Chiripal Exim LLP	1,20,60,000.00	26.35	40,20,000.00	26.35
Devkinandan Corporation LLP	1,20,60,000.00	26.35	40,20,000.00	26.35
Chiripal Industries Limited	-	-	10,00,000.00	6.56
Ruchi Chiripal	-	-	10,00,000.00	6.56
Kautilya Traders Private Limited	-	-	9,57,844.00	6.28
Jyotiprasad Chiripal	40,20,000.00	8.78	-	-
Jaiprakash Chiripal	40,20,000.00	8.78	-	-
Vansh Chiripal	36,00,000.00	7.87	-	-
Ronak Chiripal	33,60,000.00	7.34	-	-

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
Chiripal Exim LLP	40,20,000.00	26.35	40,20,000.00	26.35
Devkinandan Corporation LLP	40,20,000.00	26.35	40,20,000.00	26.35
Chiripal Industries Limited	10,00,000.00	6.56	10,00,000.00	6.56
Ruchi Chiripal	10,00,000.00	6.56	10,00,000.00	6.56
Kautilya Traders Private Limited	9,57,844.00	6.28	9,57,844.00	6.28

(c) The company has only one type of equity share of Rs. 10 each. Each of the shareholders has right to give one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Equity shares allotted as fully paid bonus shares by capitalization of securities premium	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
No. of shares	3,05,08,240.00	-	-	-
Amount of share capital	3,050.82	-	-	-
	-	-	-	-

		As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
16	<u>Other Equity</u>				
(a)	<u>Equity Securities Premium</u>				
	Opening balance	7,544.59	7,544.59	7,544.59	7,544.59
	Less: Equity shares allotted as fully paid bonus shares by utilising of securities premium	-3,050.83	-	-	-
	Closing Balance	4,493.76	7,544.59	7,544.59	7,544.59
(b)	<u>Retained Earnings</u>				
(i)	<u>Profit and Loss:</u>				
	Opening balance	3,007.53	669.79	547.39	597.80
	Add: Profit for the year	3,062.02	2,337.74	122.40	-50.41
		-	-	-	-
(ii)	<u>Net Surplus in the statement of profit and loss (i)</u>	6,069.55	3,007.53	669.79	547.39
	<u>Other Comprehensive Income:</u>				
	Opening balance	-382.89	-449.76	-243.98	31.33
	Add: Remeasurement of Defined benefit plans (including deferred tax)	-13.73	-7.21	-3.02	-
	Add: Fair Valuation Gain / (loss) on equity instruments classified through FVTOCI (net off deferred tax thereon)	165.68	74.08	-202.77	-275.31
	<u>Net Surplus in the statement of other comprehensive income(ii)</u>	-230.94	-382.89	-449.76	-243.98
	Total Retained Earnings (i + ii)	5,838.61	2,624.64	220.03	303.41
		-	-	-	-
	Total	10,332.37	10,169.23	7,764.62	7,848.00
	<u>Description of components of other equity:</u>				
	Equity Security Premium: The amount received in excess of face value of the equity shares is recognised in equity security premium. The same can be utilised for issuance of bonus shares and writing off share issue expenses.				
	Retained earnings: The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.				
	Other Comprehensive Income: The remeasurement gain / (loss) on net defined benefit plans and changes in the fair value of non-current investment classified through FVTOCI is recognised in Other Comprehensive Income (net of tax).				
17	<u>Borrowings</u>	As at September 30,2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	<u>Non-Current Secured Borrowing</u>				
	Term Loan from Banks	21,801.21	24,573.13	25,902.58	30,944.83
	Less: Current maturities of long-term debt (Note: 18)	-5,108.00	-4,608.00	-2,554.00	-5,108.00
	Closing Balance	16,693.21	19,965.13	23,348.58	25,836.83

Guaranteed Emergency Credit Line (GECL) from Banks	5,678.55	4,588.74	-	-
Less: Current maturities of long-term debt (Note: 18)	-845.37	-133.62	-	-
Closing Balance	4,833.18	4,455.12	-	-
Vehicle Loan from Banks	5.63	14.51	41.08	76.74
Less: Current maturities of long-term debt (Note: 18)	-5.63	-12.29	-18.38	-35.66
Closing Balance	-	2.22	22.70	41.08
Unsecured Borrowing				
From Other Parties	17,990.71	17,967.76	17,847.76	15,582.82
Closing Balance	17,990.71	17,967.76	17,847.76	15,582.82
Lease Obligation (unsecured)				
For assets taken on lease from others	34.59	23.01	21.29	18.71
Less: Current maturities of long-term debt (Note: 18)	-14.32	-8.09	-6.37	-3.35
Closing Balance	20.27	14.92	14.92	15.34
Total	39,537.37	42,405.15	41,233.96	41,476.07
Current Secured Borrowing				
From Bank (Repayable on Demand)	6,171.88	5,151.98	7,725.28	6,279.92
Total	6,171.88	5,151.98	7,725.28	6,279.92

Notes:
Note-i. Details of security given against borrowings:
a. Non-current borrowings:
i. Term Loans as well as Guaranteed Emergency Credit Line (GECL) from banks:

The same are secured by way hypothecation on all movable properties of the company, both present & future as well as equitable mortgage on lease hold Land & Factory Building situated at Dholi Integrated Spining Park Vill. Rupgadh, Tal: Dholka, Dist. Ahmedabad and personal guarantee of promoter directors.

ii. Vehicle Loans: The same are secured against hypothication of respective vehicles.
b. Current borrowings:

Working captial facilities from bank: The same are secured against hypothecation of stocks and book debts.

Note-ii. Terms of Repayment & Interest Rates:

Particulars	Sanction Limit	Repayment Terms & Interest Rates
Term Loans from Banks:		
Punjab National Bank	95 Crore	Repayable in 30 structured quarterly installments starting from Sept. 18

		Interest Rate: 1-year MCLR + 4%, Effective Rate Presently: 12.10%
Canara Bank (Earlier Syndicate Bank)	70 Crore	Repayable in 30 structured quarterly installments starting from Sept. 18 Interest Rate: Base Rate + 2%, Effective Rate Presently: 12.10%
Bank of Baroda (Earlier Vijaya Bank)	47 Crore	Repayable in 30 structured quarterly installments starting from Sept. 18 Interest Rate: 1 Year MCLR + 4.5%, Effective Rate Presently: 10.60%
State Bank of India	47 Crore	Repayable in 30 structured quarterly installments starting from Sept. 18 Interest Rate: Base Rate + 2.30%, Effective Rate Presently: 12.60%
Central Bank of india	47 Crore	Repayable in 30 structured quarterly installments starting from Sept. 18 Interest Rate: Base Rate + 2.05%, Effective Rate Presently: 12.15%
Punjab National Bank (Earlier United Bank of India)	47 Crore	Repayable in 30 structured quarterly installments starting from Sept. 18 Interest Rate: 1 Year MCLR + 3%, Effective Rate Presently: 10.35%
Guaranteed Emergency Credit Line (GECL) from Banks		
Punjab National Bank	32.75 Crore	Repayable in 48 equal monthly installments starting from February, 22 Interest Rate: 1 Year MCLR + 1%, Effective Rate Presently: 8.35%
State Bank of India	7.20 Crore	Repayable in 48 equal monthly installments starting from March, 22 Interest Rate: 1 Month MCLR + 1%, Effective Rate Presently: 7.20%
Central Bank of India	6.71 Crore	Repayable in 48 equal monthly installments starting from March, 22 Interest Rate: 1 Year MCLR + 2.15% + 0.20%, Effective Rate Presently: 8.15%
Canara Bank	10.28 Crore	Repayable in 48 equal monthly installments starting from March, 22. Interest Rate: 1 Year MCLR + 0.60%, Effective Rate Presently: 8.40%

Particulars	Sanction Limit	Repayment Terms & Interest Rates
Vehicle Loans		
HDFC Bank (WagonR Car)	5.05 Lakh	Repayable in 36 equal monthly installments starting from May, 18, Effective Rate Presently: 9%
HDFC Bank (Bolero Car)	7.10 Lakh	Repayable in 60 equal monthly installments starting from May, 17 Effective Rate Presently: 9%
HDFC Bank (Innova Car)	16.35 Lakh	Repayable in 36 equal monthly installments starting from July, 17 Fully Repaid as on March 31, 2021, Effective Rate Presently: 8.65%
HDFC Bank (Commerical Vehicles)	32.48 Lakh	Repayable in 48 equal monthly installments starting from May, 18 Effective Rate Presently: 9%
HDFC Bank (Jeep Compass Car)	17.86 Lakh	Repayable in 36 equal monthly installments starting from October, 18 Effective Rate Presently: 9.25%
Unsecured Borrowing		
From Other Parties		Repayable or renewable after one year

Working capital facilities from bank (Fund Based & Non-FundBased)		
Punjab National Bank	40 Crore	Repayable on Demand Interest Rate: 1-year MCLR + 4%, Effective Rate Presently: 12%
Punjab National Bank (Earlier United Bank of India)	40 Crore	Repayable on Demand Interest Rate: 1-year MCLR + 2.70%, Effective Rate Presently: 10.35%

18	Other Financial Liabilities	September 30,	March 31,	As at	As at
		2021	2021	March 31,	March 31,
				2020	2019
	Non-Current				
	Creditors for capital goods	-	-	-	974.37
	Total	-	-	-	974.37
	Current				
	Current Maturity of long-term borrowings (Note: 17)	5,959.01	4,753.91	2,572.38	5,143.67
	Current Maturity of finance obligation (Note: 17)	14.31	8.09	6.37	3.36
	Total	5,973.32	4,762.00	2,578.75	5,147.03

19	Provisions	As at	As at	As at	As at
		September 30,	March 31,	March 31,	March 31,
		2021	2021	2020	2019
	Non-Current				
	Provision for Employee Benefits:				
	Gratuity	96.48	73.25	44.29	19.03
	Leave Encashment	31.11	26.54	24.96	16.18
	Total	127.59	99.79	69.25	35.21
	Current				
	Provision for Employee Benefits: Gratuity	22.63	9.70	2.08	0.14
	Leave Encashment	21.52	18.19	17.44	11.82
	Total	44.15	27.89	19.52	11.96

20	Deferred Tax Liabilities (Net)	As at	As at	As at	As at
		September 30,	March 31,	March 31,	March 31,
		2021	2021	2020	2019
	Deferred Tax Liabilities				
	Property, Plant and Equipment	2,917.95	2,765.64	-	-
	Prepayment Charges	33.95	32.02	-	-
	Total Deferred Tax Liabilities	2,951.90	2,797.65	-	-
	Deferred Tax Assets				
	Provision for employee benefit	43.22	32.13	-	-
	Expected Credit Loss - Trade Receivables	0.52	1.16	-	-

Carried forward business losses	-	-	-	-
Unabsorbed Depreciation	1,261.94	2,157.82	-	-
Gain on Fair Valuation of investments	69.61	125.33	-	-
Total Deferred Tax Assets	1,375.29	2,316.44	-	-
Net Deferred Tax Liability	1,576.61	481.21	-	-

Note-i. Movement in deferred tax assets / (liabilities) for the year ended September 30, 2021:				
Particulars	As at March 31, 2021 Rs. in Lakhs	(Charged)/ Credited to Profit or loss	To Other Comprehensive income	As at September 30, 2021 Rs. in
Provision for employee benefit	32.13	6.47	4.62	43.22
Expected Credit Loss - Trade Receivables	1.16	-0.65	-	0.52
Carried forward business losses	-	-	-	-
Unabsorbed Depreciation	2,157.81	-895.88	-	1,261.93
Gain on Fair Valuation of investments	125.33	-	-55.72	69.61
Property, Plant and Equipment	-2,765.64	-152.31	-	-2,917.95
Prepayment charges	-32.02	-1.93	-	-33.95
Total	-481.21	-1,044.30	-51.10	-1,576.61
* Balances in brackets at each reporting date in above table represent deferred tax liabilities				

Note-ii. Movement in deferred tax assets / (liabilities) for the year ended March 31, 2021:				
Particulars	As at March 31, 2020 Rs.	(Charged) / Credited To Profit or	To Other Comprehensive income	As at March 31, 2021 Rs.
Provision for employee benefit	22.34	7.37	2.42	32.13
Expected Credit Loss – Trade Receivables	1.05	0.11	-	1.16
Preliminary Expenses Written Off	1.01	-1.01	-	-
Carried forward business losses	314.34	-314.34	-	-
Unabsorbed Depreciation	2,232.74	-74.93	-	2,157.81
Gain on Fair Valuation of investments	150.25	-	-24.91	125.34
Written off Expenses	-	-	-	-
Property, Plant and Equipment	-2,349.82	-415.81	-	-2,765.64
Prepayment charges	-23.12	-8.90	-	-32.02
Total	348.79	-807.51	-22.49	-481.21
* Balances in brackets at each reporting date in above table represent deferred tax liabilities				

21	Trade payables	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Payable to Micro and Small Enterprise	-	-	-	-
	Payable to others	5,095.21	3,270.83	4,540.05	2,447.03
	Total	5,095.21	3,270.83	4,540.05	2,447.03

Note: Due to Micro, Small & Medium Enterprises:					
Under the provisions of Micro, Small and Medium Enterprises Development Act, 2006; the company is required to disclose payables to the micro, small and medium enterprises separately. The company has identified the payables based on the information available with the company at each reporting date. There are no outstanding dues payable to the said parties at each reporting date specified above.					
22	<u>Other Current Liabilities</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Other Statutory dues	29.14	76.33	72.01	38.90
	Total	29.14	76.33	72.01	38.90
		As at	As at	As at	As at
23	<u>Revenue from operation</u>	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Sale of Products - Finished Goods (a)	47,844.89	50,280.73	41,236.30	30,678.19
	Sale of services - Job Work Charges (b)	-	-	1.83	201.86
	Other Operating Revenue: (c)	-	-	-	-
	Export Incentives	2,055.61	3,161.95	1,410.69	1,336.54
	Scrap Sales	280.68	409.75	289.80	-
	Sub-total (c)	2,336.29	3,571.70	1,700.49	1,336.54
		-	-	-	-
	Total	50,181.18	53,852.43	42,938.62	32,216.59
24	<u>Other Income</u>	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Interest Income:				
	Interest from bank	23.69	21.10	30.86	21.36
	Dividend Income	-	-	-	4.80
	Reversal of Expected Credit Loss Allowance	2.57	-	-	-
	Miscellaneous Income	-	20.59	-	-
Total	26.26	41.69	30.86	26.16	

		As at	As at	As at	As at
25	<u>Cost of Materials Consumed</u>	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	<u>Raw Material</u>				
	Inventory at the beginning of the year	2,851.87	1,885.03	2,000.59	1,195.94
	Add: Purchase	36,467.30	32,918.67	22,739.67	20,022.15
	Less: Inventory at the end of the year	-2,783.39	-2,851.87	-1,885.03	-2,000.59
	Cost of Consumption of Raw Material	36,535.78	31,951.83	22,855.23	19,217.50
	Total	36,852.05	31,951.83	22,855.23	19,217.50

26	Change In Inventories of Finished Goods, Work In Progress And Stock In Trade	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Finished Goods				
	Stock at the Beginning of the financial year	785.27	1,288.13	2,800.	1,425.86
	Stock at the End of the financial year	1,301.81	785.27	1,288.	2,800.14
	Finished Goods	-516.54	502.86	1,512.01	-1,374.28
	Work in Progress				
	Stock at the Beginning of the financial year	3,355.58	2,835.24	2,755.	2,340.60
	Stock at the End of the financial year	4,445.13	3,355.58	2,835.	2,755.62
	Work in Progress	-1,089.55	-520.34	-79.62	-415.02
	Summary				
	Stock at the Beginning of the financial year	4,140.84	4,123.37	5,555.76	3,766.47
	Stock at the End of the financial year	5,746.93	4,140.84	4,123.37	5,555.76
	Change in inventory	-1,606.09	-17.47	1,432.39	-1,789.29
	27	Employee Benefit Expense	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020
Salary, Wages & Bonus		2,413.63	3,446.27	3,941.00	3,223.68
Contribution to Provident Fund & Other Funds		76.70	108.63	138.84	70.66
Staff welfare Expenses		45.70	67.69	76.62	64.58
Total		2,536.03	3,622.59	4,156.46	3,358.92
28	Finance Costs	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Interest Expense				
	To Banks	1,498.45	2,817.89	3,007.99	3,194.33
	To Others	-	-	0.53	53.54
	Finance Charges on leasehold assets	1.44	1.72	1.76	1.65
	Other Borrowing Cost	88.90	123.05	175.01	136.18
	Total	1,588.79	2,942.66	3,185.29	3,385.70
29	Depreciation And Amortisation Expense	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Depreciation of Property, Plant & Equipment	1,336.35	2,626.28	2,627.13	1,731.18
	Depreciation of Intangible Assets	6.18	10.03	7.39	2.30
	Total	1,342.53	2,636.31	2,634.52	1,733.48
30	Other Expenses	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019

	Manufacturing Expenses	1,646.15	2,982.19	2,905.44	2,256.48
	Power and Fuel Expenses	251.62	1,537.77	818.44	495.54
	Job Work Expenses	392.65	523.86	374.72	413.29
	Labour & Shifting Charges				
	Store, Spares and Packing Material	347.69	287.61	176.65	155.49
	Opening Stock	1,427.49	2,406.88	2,188.16	1,228.50
	Add: Purchases	-252.22	-347.69	-287.61	-176.65
	Less: Closing Stock	1,522.96	2,346.80	2,077.20	1,560.63
	Consumption of Stores, Spares and Packing Material	25.37	30.99	35.40	43.59
	Repairs and Maintenance	33.91	50.26	59.36	32.47
	Laboratory and Testing Charges	1.17	2.49	9.66	19.30
	Factory Expense	3,873.84	7,474.36	6,280.22	4,821.30
	Administrative Expenses				
	Auditor Remuneration	0.63	1.25	1.25	1.25
	Rent, Rates & Taxes	18.27	36.40	80.52	97.56
	Insurance Expenses	98.08	120.78	74.48	63.54
	Stationary & Printing	10.91	19.39	27.80	16.04
	Legal & Professional Charges	121.33	122.41	74.12	29.31
	Communication expenses	53.08	120.23	161.24	59.23
	Office and General Expenses	19.74	30.85	65.51	65.90
	House Keeping Expenses	62.91	95.09	60.70	102.40
	CSR Expenditure	24.25	-	-	-
	Total Administrative Expenses (ii)	409.20	546.40	545.62	435.23
	Selling and Distribution Expenses				
	Business Promotion Expense	204.04	19.80	79.78	17.15
	Shipping and Forwarding Charges	562.11	718.20	423.43	456.50
	Commission Expenses	80.08	205.98	350.56	173.85
	Transportation Expenses	218.35	565.37	451.23	273.25
	Travelling, Conveyance and Vehicle Expenses	40.20	82.39	177.97	175.63
	Expected Credit Loss Expenses	-	0.44	1.35	2.83
	Written Off Expenses	-	-	-	18.93
	Total Selling and Distribution Expenses (iii)	1,104.78	1,592.18	1,484.32	1,118.14
	Total	5,387.82	9,612.94	8,310.16	6,374.67
		As at	As at	As at	As at
31	Income tax recognised in profit or loss	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Current tax	-	-	-	-
	Deferred tax liability / (assets)	1,044.30	807.51	273.03	12.18
	Total	1,044.30	807.51	273.03	12.18

Note-I. Income tax expense reconciliation with effective tax rate is stated here-in-after:				
	As at	As at	As at	As at
Particulars	September 30, 2021 Rs. in Lakhs	March 31, 2021 Rs. in Lakhs	March 31, 2020 Rs. in Lakhs	March 31, 2019 Rs. in Lakhs
Profit before tax	4,106.31	3,145.25	395.43	-38.23
Tax expenses reported during the year	1,044.30	807.51	273.03	12.18
Income tax expenses calculated at 25.168% (For the year ended March 31, 2021:25.168% For the year ended March 31, 2020:25.168%, For the year ended March 31, 2019:33.063%)	1,033.48	791.60	99.52	-12.64
Difference	10.82	15.91	173.51	24.82
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income	6.76	7.04	5.79	17.11
Tax effect of amounts which are additionally deductible in calculating taxable income	-0.97	-1.55	-1.55	-0.65
Effect on deferred tax balances due to change in income tax rate from 33.063% to 25.168%	-	-	159.21	-
Recognition of Tax credits on account of taxes paid under income tax law	-	-	-	2.92
Tax benefit on carried forward losses of earlier years	4.66	10.07	-	-
Tax benefit on current year's losses carried for future years	-	-	9.93	7.70
Other Items	0.37	0.35	0.13	-2.26
Total	10.82	15.91	173.51	24.82
32 Statement of Other Comprehensive Income	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Items that will not be reclassified to profit and loss				
Remeasurement of defined benefit plans				
Actuarial gain/(loss) on Remeasurements of the defined benefit plans	-18.35	-9.63	-4.04	-
Fair Value Gain / (loss) on Equity Instruments classified through Other Comprehensive Income	221.40	99.00	-232.50	-411.30
(ii) Income tax relating to these items that will not be reclassified to profit and loss				
Deferred tax income / (expense) on actuarial gain/(loss)	4.62	2.43	1.02	-
Deferred tax income / (expense) on fair valuation of investment	-55.72	-24.92	29.74	135.99
Total	151.95	66.88	-205.78	-275.31

Annexure VI - Notes to Restated Financial Information				
(All amounts are in Lakhs, unless otherwise stated)				
33. Capital Commitment				
Details of outstanding capital commitments are as under:				
Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for	1108.98	625.94	672.44	0.25
Advance paid against such contracts	419.24	611.44	611.44	0.25
Remaining outstanding commitment	689.74	14.50	61.00	0.00
34. Contingent Liabilities				
Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
Contingent Assets: -	-	-	-	-
Excise rebate receivable - The Company has filed petition against order of CESTAT in Gujarat High Court for excise rebate receivable and the matter is still pending at the reporting date hence not provided in the books of accounts.	76.91	76.91	-	-
Contingent Liabilities: -				
<u>Duty liability under Export Promotion Capital Goods Scheme (EPCG):</u>				
Export Obligation pending against imported capital goods at concessional rate of custom duty under "Export promotion of capital goods scheme".	3666.18	1103.38	966.88	-
Custom duty liability in respect of unfulfilled export obligation	611.03	183.90	161.15	-
Guarantee given by bank on behalf of the company				
Guarantee given by bank on behalf of the company to Uttar Gujarat Vij Company Limited as against security deposit for connected load	414.77	432.31	432.31	432.31
35. Details of Employee Benefits:				
(a) Defined Contribution Plans				
The Company offers its employees benefits under defined contribution plans in the form of provident fund. Provident fund cover substantially all regular employees which are on payroll of the company. Both the employees and the Company pay predetermined contributions into the provident fund and approved superannuation fund. The contributions are normally based on a certain proportion of the employee's salary and are recognised in the Statement of Profit and Loss as incurred.				

For Six Months Ended September 30, 2021, a sum of Rs. 63.32 lakh- (For the year ended March 31, 2021: Rs. 99.75 lakh, For the year ended March 31, 2020: Rs. 126.60 lakh, For the year ended March 31, 2019: Rs. 61.64 lakh/-) has been charged to the Statement of Profit and Loss in respect of this plan.

(b) Defined Benefit Plan - Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Currently the scheme is unfunded and the company provides for the benefits which is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and related liability recognized in the statement of assets & liabilities for the same:

A. Expenses Recognized during the period

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
In Income Statement	17.80	26.95	23.18	19.16
In Other Comprehensive (Income) / loss	18.35	9.63	4.04	0.00
Total Expenses Recognized	36.15	36.58	27.21	19.16

A1. Expenses Recognized in the Income Statement

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
Current Service Cost	16.14	24.59	21.90	19.16
Past Service Cost	-	-	-	-
Loss / (Gain) on settlement	-	-	-	-
Net Interest Cost	1.66	2.36	1.28	-
Expenses Recognized in the Statement of Profit and Loss	17.80	26.95	23.18	19.16

A2. Other Comprehensive Income

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
Actuarial (gains) / losses on Obligation for the period	18.35	9.63	4.04	-
Return on plan assets, excluding amount recognized in net interest expense	-	-	-	-
Components of defined benefit costs recognized in other comprehensive income	18.35	9.63	4.04	-

B. Net Liability recognized in the statement of assets and liabilities				
Particulars	For Six Months Ended September 30, 2021	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Present Value of Obligation	119.11	82.96	46.38	19.16
Fair value of plan assets	-	-	-	-
Surplus / (Deficit)	-	-	-	-
Net (Liability) recognized in the statement of assets & liabilities	119.11	82.96	46.38	19.16

B1. Changes in the Present value of Obligation

Particulars	For Six Months Ended September 30, 2021	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Present Value of Obligation as at the beginning	82.96	46.38	19.16	0.00
Current Service Cost	16.14	24.59	21.90	19.16
Interest Expense or Cost	1.66	2.36	1.29	0.00
Re-measurement (or Actuarial) (gain) / loss arising from:	0.00	0.00	0.00	0.00
- change in financial assumptions	-1.21	2.56	2.63	0.00
- change in demographic assumptions	0.00	0.00	-0.02	0.00
- experience variance	19.56	7.07	1.42	0.00
Past Service Cost	0.00	0.00	0.00	0.00
Benefits Paid	0.00	0.00	0.00	0.00
Present Value of Obligation as at the end of the year	119.11	82.96	46.38	19.16

C. Actuarial Assumptions

Particulars	For Six Months Ended September 30, 2021	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Discount Rate	4.60% p.a.	4.25% p.a.	5.20% p.a.	6.70% p.a.
Expected rate of salary increase	6.00% p.a.	6.00% p.a.	6.00% p.a.	6.00% p.a.
Mortality Rates	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Rate of Employee Turnover	40.00% p.a at all ages	40.00% p.a at all ages	40.00% p.a at all ages	40.00% p.a at all ages
Retirement Age	60 Years	60 Years	60 Years	60 Years

D. Sensitivity Analysis				
Particulars	For Six Months Ended September 30, 2021	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Defined Benefit Obligation (Base)	119.11	82.96	46.38	19.16
	0.00	0.00	0.00	0.00
Particulars	For Six Months Ended September 30, 2021	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Discount Rate Sensitivity				
Increase by 0.5%	117.42	81.59	45.47	18.73
(% change)	-1.42%	-1.64%	-1.95%	-2.27%
Decrease by 0.5%	120.84	84.36	47.31	19.61
(% change)	1.46%	1.69%	2.01%	2.34%
Salary growth rate Sensitivity				
Increase by 0.5%	120.80	84.33	47.30	19.61
(% change)	1.42%	1.65%	1.98%	2.34%
Decrease by 0.5%	117.44	81.61	45.48	18.72
(% change)	-1.40%	-1.62%	-1.94%	-2.29%
Withdrawal rate (W.R.) Sensitivity				
W.R. x 110%	111.21	74.94	39.89	15.66
(% change)	-6.63%	-9.67%	-14.00%	-18.26%
W.R. x 90%	127.89	91.92	53.76	23.24
(% change)	7.37%	10.81%	15.91%	21.28%

E. Maturity Profile of Project Benefit Obligation				
Particulars	For Six Months Ended September 30, 2021	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Weighted average duration (based on discounted cash flows)	2.45 years	2.45 years	2.44 years	2.49 years
Expected cashout flows over the next (valued on undiscounted basis)				
Particulars	For Six Months Ended September 30, 2021	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
1 year	22.63	9.70	2.08	0.14
2 to 5 years	87.23	63.35	36.58	14.36
6 to 10 years	24.55	20.99	17.14	10.91

<p>E. Characteristics of defined benefit plans and risks associated with them:</p> <p>Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:</p>
<p>A. Actuarial Risk:</p> <p>It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:</p> <p>Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.</p> <p>Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.</p> <p>Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.</p>
<p>B. Investment Risk:</p> <p>For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.</p>
<p>C. Liquidity Risk:</p> <p>Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.</p>
<p>D. Market Risk:</p> <p>Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.</p>
<p>E. Legislative Risk:</p> <p>Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.</p>
<p>(c) Other employment benefits - Leave encashment:</p> <p>For Six Months Ended September 30, 2021, the Company has recognised amount of Rs. 7.91lakhs (For the year ended March 31, 2021: Rs. 2.33 lakhs, For the year ended March 31, 2020: Rs. 14.39 lakhs, For the year ended March 31, 2019: Rs. 28.01 lakhs as expense in the Statement of Profit and Loss in respect of Compensated absences.</p>

Annexure VI - Notes to Restated Financial Information (All amounts are rupees in lakhs, unless otherwise stated)								
36 Fair Value Measurements								
Financial instrument by category and their fair value at each reporting date:								
As at September 30, 2021	Carrying Amount				Fair Value (Only those items which are recognised at FVTPL / FVTOCI)			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current Investments	-	410.10	-	410.10	410.10	-	-	410.10
Trade Receivables	-	-	14,858.21	14,858.21	-	-	-	-
Cash and Cash Equivalents	-	-	232.30	232.30	-	-	-	-
Other Financial Assets								
Non-Current	-	-	560.47	560.47	-	-	-	-
Current	-	-	13.03	13.03	-	-	-	-
Total Financial Assets	-	410.10	15,664.00	16,074.10	410.10	-	-	410.10
Financial Liabilities								
Borrowings								
Non Current	-	-	39,537.37	39,537.37	-	-	-	-
Current	-	-	6,171.88	6,171.88	-	-	-	-
Other Financial Liabilities								
Non Current								
Current	-	-	5,973.32	5,973.32	-	-	-	-
Trade Payables	-	-	5,095.21	5,095.21	-	-	-	-
Total Financial Liabilities	-	-	56,777.78	56,777.78	-	-	-	-
As at March 31, 2021	Carrying Amount				Fair Value (Only those items which are recognised at FVTPL / FVTOCI)			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current Investments	-	188.70	-	188.70	188.70	-	-	188.70
Trade Receivables	-	-	10,185.63	10,185.63	-	-	-	-
Cash and Cash Equivalents	-	-	2,076.26	2,076.26	-	-	-	-
Other Financial Assets								
Non-Current	-	-	317.74	317.74	-	-	-	-
Current	-	-	13.03	13.03	-	-	-	-
Total Financial Assets	-	188.70	12,592.67	12,781.37	188.70	-	-	188.70
Financial Liabilities								
Borrowings								
Non Current	-	-	42,405.15	42,405.15	-	-	-	-
Current	-	-	5,151.98	5,151.98	-	-	-	-
Other Financial Liabilities								
Non Current								
Current	-	-	4,762.00	4,762.00	-	-	-	-
Trade Payables	-	-	3,270.83	3,270.83	-	-	-	-
Total Financial Liabilities	-	-	55,589.96	55,589.96	-	-	-	-

As at March 31, 2020	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current Investments	-	89.70	-	89.70	89.70	-	-	89.70
Trade Receivables	-	-	8,577.25	8,577.25	-	-	-	-
Cash and Cash Equivalents	-	-	397.95	397.95	-	-	-	-
Other Financial Assets								
Non-Current	-	-	187.18	187.18	-	-	-	-
Current	-	-	0.34	0.34	-	-	-	-
Total Financial Assets	-	89.70	9,162.72	9,252.42	89.70	-	-	89.70
Financial Liabilities								
Borrowings								
Non Current	-	-	41,233.96	41,233.96	-	-	-	-
Current	-	-	7,725.28	7,725.28	-	-	-	-
Other Financial Liabilities								
Non Current	-	-	-	-	-	-	-	-
Current	-	-	2,578.75	2,578.75	-	-	-	-
Trade Payables	-	-	4,540.05	4,540.05	-	-	-	-
Total Financial Liabilities	-	-	56,078.04	56,078.04	-	-	-	-

As at March 31, 2019	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current Investments	-	322.20	-	322.20	322.20	-	-	322.20
Trade Receivables	-	-	6,982.38	6,982.38	-	-	-	-
Cash and Cash Equivalents	-	-	42.86	42.86	-	-	-	-
Other Financial Assets								
Non-Current	-	-	199.10	199.10	-	-	-	-
Current	-	-	0.34	0.34	-	-	-	-
Total Financial Assets	-	322.20	7,224.67	7,546.87	322.20	-	-	322.20
Financial Liabilities								
Borrowings								
Non Current	-	-	41,476.07	41,476.07	-	-	-	-
Current	-	-	6,279.92	6,279.92	-	-	-	-
Other Financial Liabilities								
Non Current	-	-	974.37	974.37	-	-	-	-
Current	-	-	5,147.03	5,147.03	-	-	-	-
Trade Payables	-	-	2,447.03	2,447.03	-	-	-	-
Total Financial Liabilities	-	-	56,324.41	56,324.41	-	-	-	-

The above fair value hierarchy explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortized cost for which fair values are disclosed in the restated financial information.

To provide the indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments in to three levels prescribed is as under:

Level 1- Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

There were no transfers between the levels during the year

Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively.

The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

Annexure VI - Notes to Restated Financial Information

(All amounts are in rupees in lakhs, unless otherwise stated)

37 Financial risk management

The Company's activities expose it to a variety of financial risks, including credit risk, market risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

The Company's risk management is governed by policies approved by the board of directors. Company's board of directors identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The company has policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The board of directors also oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board of directors is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

I Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits, and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The history of trade receivables shows a negligible provision for bad and doubtful debts. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments. The company has adopted simplified approach of ECL model for impairment.

i)	<p>Trade Receivables:</p> <p>The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company with various activities as mentioned above manages credit risk. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold collateral as security.</p>
ii)	<p>Financial assets that are neither past due nor impaired</p> <p>Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at each reporting date.</p>
ii	<p>Liquidity Risk</p> <p>Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. Long-term borrowings generally mature between One to Ten years. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities to meet anticipated funding requirements.</p> <p>The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months which can be rolled over with existing lender. As of September 30, 2021; March 31, 2021; March 31, 2020 and March 31, 2019; the Company had unutilized credit limits from banks of Rs. 1843.56 lacs; Rs. 3953.28 lacs; Rs. 274.72 lacs and Rs. 1720.08 lacs respectively. The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities.</p> <p>The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.</p>

Contractual maturities of financial liabilities as at September 30, 2021	Carrying Amount	Contractual Cash Flows					Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years		
Non Current Borrowings (Incl. Current Maturities thereof)	45510.69	5973.32	6525.66	15002.39	18009.32	45510.69	
Current Borrowings	6171.88	6171.88	0.00	0.00	0.00	6171.88	
Trade Payables	5095.21	5095.21	0.00	0.00	0.00	5095.21	
Total	56777.78	17240.42	6525.66	15002.39	18009.32	56777.78	
Contractual maturities of financial liabilities as at March 31, 2021	Carrying Amount	Contractual Cash Flows					Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years		
Non Current Borrowings (Incl. Current Maturities thereof)	47167.15	4762.00	6528.36	17896.25	17980.54	47167.15	
	5151.98	5151.98	0.00	0.00	0.00	5151.98	

Current Borrowings	3270.83	3270.83	0.00	0.00	0.00	3270.83
Trade Payables						
Total	55589.96	13184.81	6528.36	17896.25	17980.54	55589.96
Contractual maturities of financial liabilities as at March 31, 2020						
Contractual maturities of financial liabilities as at March 31, 2020	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Non Current Borrowings (Incl. Current Maturities thereof)	43812.71	2578.75	4621.95	15430.42	21181.60	43812.71
Current Borrowings	7725.28	7725.28	0.00	0.00	0.00	7725.28
Trade Payables	4540.05	4540.05	0.00	0.00	0.00	4540.05
Total	56078.04	14844.08	4621.95	15430.42	21181.60	56078.04
Contractual maturities of financial liabilities as at March 31, 2019						
Contractual maturities of financial liabilities as at March 31, 2019	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Non Current Borrowings (Incl. Current Maturities thereof)	46623.09	5147.03	2574.04	14836.29	24065.75	46623.09
Current Borrowings	6279.92	6279.92	0.00	0.00	0.00	6279.92
Other Non Current Financial Liabilities	974.37	0.00	974.37	0.00	0.00	974.37
Trade Payables	2447.03	2447.03	0.00	0.00	0.00	2447.03
Total	56324.41	13873.98	3548.40	14836.29	24065.75	56324.41
III Market Risk						
Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, Interest rate risk and commodity risk.						
a) Currency Risk						
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).						
The Company's foreign exchange risk arises mainly from following activities: Foreign currency revenues and expenses (primarily in USD and EURO): A significant portion of the Company's revenues are in following foreign currencies, while a nominal portion of its costs are in Indian Rupees. Generally, the company has net exposure of foreign currency receivable. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.						

Company does not use derivative financial instruments for trading or speculative purposes. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.					
i) The following table analyses foreign currency risk from non-derivative financial instruments as at each reporting date:					
<u>Particulars</u>	<u>Currency</u>	<u>As at September 30, 2021</u> <u>Rs. in Lakhs</u>	<u>As at March 31, 2021</u> <u>Rs. in Lakhs</u>	<u>As at March 31, 2020</u> <u>Rs. in Lakhs</u>	<u>As at March 31, 2019</u> <u>Rs. in Lakhs</u>
a) Trade Receivables (Against Export)	USD	85.36	101.18	37.87	54.65
	INR	6338.41	7436.43	2855.04	3780.52
	EURO	14.28	19.15	16.02	0.20
b) Trade Payables (Against import - including capital imports & advances to suppliers) - Negative Balances represent payables while positive balances represent advances.	INR	1229.90	1649.12	1330.26	15.29
	USD	0.69	-9.67	0.84	-0.55
	INR	51.15	-710.43	63.51	-38.19
	EURO	0.28	0.60	0.11	0.00
	INR	24.20	51.55	8.99	0.00
	GBP	0.00	0.00	0.00	0.00
	INR	0.35	0.00	-0.09	0.00
	JPY	0.00	0.00	0.24	0.00
	INR	0.00	0.00	0.17	0.00
Net Statement of Financial Exposure (a + b) - Negative Balances represent payables while positive balances represent receivables/ advances.	USD	86.05	91.51	38.71	54.10
	INR	6389.57	6725.99	2918.55	3742.33
	EURO	14.56	19.75	16.13	0.20
	INR	1254.10	1700.67	1339.25	15.29
	GBP	0.00	0.00	0.00	0.00
	INR	0.35	0.00	-0.09	0.00
	JPY	0.00	0.00	0.24	0.00
INR	0.00	0.00	0.17	0.00	
Note - Figures in bracket denotes credit balance.					
ii) Foreign Currency Risk Sensitivity					
The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD and Euro currencies). The same is summarized as below:					
Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs		Year Ended March 31, 2021 Rs. in Lakhs		
	5% Increase	5% Decrease	5% Increase	5% Decrease	
USD	319.48	-319.48	336.30	-336.30	
EURO	62.70	-62.70	85.03	-85.03	
GBP	0.02	-0.02	0.00	0.00	
JPY	0.00	0.00	0.00	0.00	
Total	382.20	-382.20	421.33	-421.33	

Particulars	Year Ended March 31, 2020 Rs. in Lakhs		Year Ended March 31, 2019 Rs. in Lakhs	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	145.93	-145.93	187.12	-187.12
EURO	66.96	-66.96	0.76	-0.76
GBP	0.00	0.00	0.00	0.00
JPY	0.01	-0.01	0.00	0.00
Total	212.89	-212.89	187.88	-187.88
b) Interest Risk				
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's non-current as well as current borrowings with floating interest rates. Company's treasury department monitors the interest rate movement and manages the interest rate risk based on its policies.				
The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:				
i) Exposure to interest rate risk				
Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in	As at March 31, 2020 Rs. in	As at March 31, 2019 Rs. in
Fixed Rate Borrowings (including current maturities)	17996.34	17982.27	17888.85	15659.56
Variable Rate Borrowings (including current maturities)	33651.65	34313.85	33627.85	37224.75
Total	51647.99	52296.12	51516.70	52884.31
For details of the Company's current and non-current borrowings, including interest rate profiles, refer to Note-17 of the restated financial information.				
ii) Interest Rate Sensitivity				
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.				
Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
50bp increase would decrease the profit before tax by	-168.26	-171.57	-168.14	-186.12
50bp decrease would increase the profit before tax by	168.26	171.57	168.14	186.12

c) Price Risk				
<p>Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of terry cotton ingredients, including the raw material components for such terry cotton ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's terry cotton ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.</p>				
38 Capital Management:				
<p>The Company's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Company; and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance.</p> <p>The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. For this purpose, total debt is defined as total borrowings (including current maturities of long-term borrowings and short-term borrowings). Total equity comprises of issued share capital and all other equity reserves.</p>				
The gearing ratio at the end of the reporting period was as follows:				
Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
Debt (including current maturities of long-term borrowings and short-term borrowings)	51682.57	52319.13	51537.99	52903.02
Cash and bank balances	-232.29	-2076.26	-397.95	-42.86
Net debt	51450.28	50242.87	51140.04	52860.16
Equity	14908.61	11694.64	9290.03	9373.41
Net debt to equity ratio	3.45	4.30	5.50	5.64
39 Details of Payment to Auditors				
Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
Payment to auditors:				
To Statutory Auditor:				
Audit fee & Taxation Matters	0.63	1.25	1.25	1.25
Total	0.63	1.25	1.25	1.25

Annexure VI - Notes to Restated Financial Information
(All amounts are in Lacs, unless otherwise stated)

40. Earnings Per Share (EPS)				
Particulars	For Six Months Ended September 30, 2021 (Rs. In Lacs)	Year Ended March 31, 2021 (Rs. In Lacs)	Year Ended March 31, 2020 (Rs. In Lacs)	Year Ended March 31, 2019 (Rs. In Lacs)
Net Profit / (Loss) for calculation of basic / diluted EPS	3062.02	2337.74	122.40	-50.41
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	457.62	457.62	457.62	457.62
Basic Earnings/(Loss) Per Share	6.69	5.11	0.27	-0.11
Diluted Earnings/(Loss) Per Share	6.69	5.11	0.27	-0.11
Nominal Value of Equity Shares	10.00	10.00	10.00	10.00

Note: The company has issued bonus shares during the six-month ended September 30, 2021. Accordingly, the weighted average number of shares as well as the earning per share for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 have been adjusted retrospectively.

41. Segment Information

The Company's operations pre-dominantly relates to manufacturing and sale of terry towels. The Company has considered the only one reporting segment in accordance with the requirement of Ind AS 108 - Operating Segments.

The Board of Directors ("BOD") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of this single operating segment. The BOD reviews revenue and gross profit as the performance indicator for this single operating segment. Accordingly, it constitutes as a single reportable operating segment.

Details of entity wide disclosures for this segment are given as below:

(i) Net sales to external customers by geographic area by location of customers:

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
India	32851.02	28057.39	21072.34	18035.38
Outside India	17330.16	25795.04	21866.28	14181.21
Total	50181.18	53852.43	42938.62	32216.59

(ii) Bifurcation of non-current assets of the company by geographical area on the basis of location of the asset:				
Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
India	43,591.77	43,337.44	45,853.66	47,949.57
Outside India	-	-	-	-
Total	43591.77	43337.44	45853.66	47949.57
(iii) Details of customer contributing 10% or more of total revenue:				
Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
No. of customers contributing 10% or more of total revenue (individually)	1	-	1	1
Amount of revenue	6962.80	0.00	6426.23	6538.52
% of total revenue	13.88%	-	14.97%	20.30%

42. Related Parties Disclosures

(i) List of related parties:

Name of related party	Nature of relationship
Chiripal Industries Limited	Entity controlled by Key Managerial Personnel
Nandan Denim Limited	Entity controlled by Key Managerial Personnel
Vishal Fabrics Limited	Entity controlled by Key Managerial Personnel
Dholi Spintex Private Limited	Entity controlled by Key Managerial Personnel
Nova Textile Private Limited	Entity controlled by Key Managerial Personnel
Chiripal Textile Mills Private Limited	Entity controlled by Key Managerial Personnel
Brijmohan D. Chiripal	Key Managerial Personnel
Vedprakash D. Chiripal	Key Managerial Personnel
Vipin C. Rajput	Key Managerial Personnel
Ronak B. Agarwal	Key Managerial Personnel
Deval Patel	Key Managerial Personnel
Ankit Mittal	Key Managerial Personnel
Rekha Mittal	Relative of Key Managerial Personnel
Jaiprakash D. Chiripal	Relative of Key Managerial Personnel
Pritidevi Chiripal	Promoter Group
Shanti Polytechnic Foundation	Promoter Group
Milestone Education Trust	Promoter Group
Shanti Education Initiative Limited	Promoter Group
Sudha Kumari Rajput	Relative of Key Managerial Personnel

(ii) Transactions during the period and balances outstanding with related parties are as under:					
Transactions with related parties during the year:					
Name of related party	Nature of Transaction	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
Chiripal Industries Limited (Entity controlled by Key Managerial Personnel)	Sale of Goods/ Services	0.00	62.85	16.24	49.67
	Purchase of Materials/ Services	221.04	389.96	52.04	40.00
	Sale of Export Licenses	0.00	43.67	10.94	56.92
Nandan Denim Limited (Entity controlled by Key Managerial Personnel)	Sale of Goods/ Services	1446.64	1320.87	639.69	12.44
	Purchase of Materials/ Services	1362.66	1411.56	0.00	0.00
	Loan Repaid	0.00	1322.11	0.00	0.00
	Loan Taken	0.00	0.00	550.11	1289.56
	Job Work Charges	0.00	0.00	0.63	0.00
Vishal Fabrics Limited (Entity controlled by Key Managerial Personnel)	Sale of Goods/ Services	388.92	399.24	1831.62	0.00
	Purchase of Materials/ Services	204.63	1250.03	3766.79	0.00
	Sale of Export Licenses	0.00	0.00	12.54	0.00
Dholi Spintex Private Limited (Entity controlled by Key Managerial Personnel)	Sale of Goods/ Services	943.46	137.92	0.00	0.00
	Purchase of Materials/ Services	1390.07	761.15	1216.79	0.00
Nova Textile Private Limited (Entity controlled by Key Managerial Personnel)	Purchase of Goods	1174.11	320.50	0.00	0.00
Chiripal Textile Mills Private Limited (Entity controlled by Key Managerial Personnel)	Purchase of Goods	2426.45	0.00	0.00	0.00
Pritidevi B. Chiripal (Promoter Group)	Sale of Goods/ Services	0.00	0.00	0.12	0.16
Shanti Polytechnic Foundation (Promoter Group)	Sale of Goods/ Services	0.00	0.00	0.00	0.14

Milestone Education Trust (Promoter Group)	CSR Expenses	24.25	0.00	0.00	0.00
Brijmohan Chiripal (Key Managerial Personnel)	Rental Charges	6.00	0.00	0.00	0.00
Shanti Education Initiative Limited (Promoter Group)	Rental Charges	3.00	0.00	0.00	0.00
Ronak Chiripal (Key Managerial Personnel)	Managerial Remuneration	63.00	63.85	23.47	41.89
Vipin C Rajput (Key Managerial Personnel)	Managerial Remuneration	5.12	8.52	9.77	0.00
Deval Patel (Key Managerial Personnel)	Managerial Remuneration	1.77	3.11	0.75	0.00
Ankit Mittal (Key Managerial Personnel)	Salary & Wages	1.30	0.00	0.00	0.00
Rekha Mittal (Key Managerial Personnel)	Salary & Wages	0.84	0.00	0.00	0.00
Sudha Kumari Rajput (Relative of Key Managerial Personnel)	Salary & Wages	2.41	4.08	0.00	0.00

Annexure VI – Notes to Restated Financial Information
(All amounts are rupees in lakhs, unless otherwise stated)

Balances outstanding at each reporting date:

Particulars	Nature of Balance	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
Chiripal Industries Limited (Entity controlled by Key Managerial Personnel)	Trade Receivables	0.00	0.00	0.00	44.96
	Trade Payables	-67.03	-138.96	-121.19	-31.59
Nandan Denim Limited (Entity controlled by Key Managerial Personnel)	Trade Receivables	1205.13	560.33	588.94	16.62
	Trade Payables	-0.02	0.00	0.00	0.00
	Unsecured Loan	0.00	0.00	-1322.11	-1289.56
Vishal Fabrics Limited (Entity controlled by Key Managerial Personnel)	Trade Receivables	342.64	0.00	417.95	0.00
	Trade Payables	41.14	-82.50	-2.57	0.00

Dholi Spintex Private Limited (Entity controlled by Key Managerial Personnel)	Trade Payables	-0.12	-274.90	0.00	0.00
Nova Textile Private Limited (Entity controlled by Key Managerial Personnel)	Trade Payables	-0.21	-181.71	0.00	0.00
Chiripal Textile Mills Private Limited (Entity controlled by Key Managerial Personnel)	Trade Payables	-581.62	0.00	0.00	0.00
Pritidevi Chiripal	Trade Receivables	0.00	0.00	0.42	0.30
Shanti Polytechnic Foundation	Trade Receivables	0.00	0.00	0.68	0.68
Shanti Education Initiative Limited (Promoter Group)	Creditors for Expenses	-3.24	0.00	0.00	0.00
Brijmohan Chiripal (Key Managerial Personnel)	Creditors for Expenses	-5.40	0.00	0.00	0.00
Ronak Chiripal (Key Managerial Personnel)	Creditors for Expenses	-13.00	-2.70	-5.00	0.00
Vipin C Rajput (Key Managerial Personnel)	Creditors for Expenses	-0.85	-0.12	-0.85	0.00
Deval Patel (Key Managerial Personnel)	Creditors for Expenses	-0.33	0.00	-0.25	0.00
Ankit Mittal (Key Managerial Personnel)	Creditors for Expenses	1.30	0.00	0.00	0.00

Note: Figures in bracket denotes credit balance.

43. Leases:

The company has entered into major four types of leases for following property, plant & equipment:

(i). Land at Plot no. 5, 6, 7, Dholi Integrated Spinning Park, Village: Rupaghadh, Tal.: Dholka, Dist.: Ahmedabad, Gujarat, India. (ii). Land & Building at Village: Saijpur-Gopalpur, Taluka: Vatva, District & Sub-district: Ahmedabad, Gujarat, India. (iii) Office Premise at Unit No. 109, Peninsula Centre, Dr. S. S. Rao Road, Behind Piramal Chambers, Parel (E), Mumbai, Maharashtra, India. (iv) Office Premises situated at First Floor of Shanti Corporate House, Beside Hira Rupa Hall, Opp. Landmark Hotel, Bopal-Ambli Road, Ahmedabad, Gujarat, India (with effect from April 01, 2021).

Out of above, leases at (i), (ii) & (iii) are of long-term tenure and lease at (iv) are of short-term tenure.

In case of leasehold land at (i), the company has made single payment equivalent to the fair value of the land at the start of the lease period. The company is required to pay nominal maintenance amount as "annual lease payment" during the tenure of the lease. Further the lease is also renewable post completion of lease period. Hence in case of this leasehold land, asset is recognised at full amount with nominal additional liabilities.

Under Ind-AS 17 (For and upto the year ended March 31, 2019):

Under Ind-AS 17, leases specified at point (i) & (ii) are treated and accounted for as "finance lease". Lease specified at point (iii) & (iv) are treated and accounted for as "operating lease".

Under Ind-AS 116 (For and after the year ended March 31, 2019):

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. For the purpose of Restated Financial Information, the company has adopted Ind AS 116 'Leases' that replaces Ind AS 17 w.e.f. April 1, 2019 (Initial application date) by using modified retrospective approach. The nature and effect of the changes as a result of adoption of Ind AS 116 is described below.

Upon transition to Ind-AS 116, The Company has elected the practical expedient and therefore is permitted not to re-assess whether existing contracts contains a lease as defined under Ind AS 116 at the initial application date. Changes on account of transition to Ind-AS 116 have been stated as below:

Leases specified at (i) & (ii): There are no changes on account of transition to Ind-AS 116 as the same were treated as "Finance lease" under Ind-AS 17..

Lease specified at (iii): The same has been treated & accounted for "finance lease" w.e.f. April 1, 2019. Accordingly, the Company has recognised right of-use assets & lease liability amounting to Rs. 0.81 lakh.

Lease specified at (iv): The same remains as "operating lease" as the same is of short-term tenure. Details relating to leases of the company are specified below:

a) Break-up of current and non-current lease liabilities:

Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
Current Lease Liabilities	14.32	8.09	6.37	3.36
Non-Current Lease Liabilities	20.27	14.92	14.92	15.35
Total	34.59	23.01	21.29	18.71

b) Changes in the carrying value of lease liabilities:

Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
Balance as at the beginning of the year	23.01	21.29	18.71	16.47
Additions	10.14	0.00	0.81	0.58
Finance cost accrued during the year	1.44	1.72	1.77	1.66
Payment of lease liabilities	0.00	0.00	0.00	0.00
Balance as at the end of the year	34.59	23.01	21.29	18.71

c) Expense recognised:				
Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
Depreciation of right of use assets	19.68	34.71	34.71	34.30
Expense relating to short term leases	6.00	0.00	0.00	0.48
Interest on lease liabilities	1.45	1.72	1.76	1.65
Total amount recognized in statement of Profit & Loss	27.13	36.43	36.47	36.43

d) Maturity analysis of lease liabilities under Ind AS 116 on an undiscounted basis				
Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
Within one year	14.32	8.09	6.37	3.36
After one year but not more than 5 years	5.36	8.09	6.37	3.79
More than five years	14.91	6.83	8.55	11.56
Total	34.59	23.01	21.29	18.71

e) Movement in Right of Use Asset:				
Particulars	As at September 30, 2021 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs	As at March 31, 2020 Rs. in Lakhs	As at March 31, 2019 Rs. in Lakhs
Opening Balance	3187.77	3222.47	3256.37	3290.08
Add: Additions during the year	10.13	0.00	0.81	0.59
Less: Depreciation for the year	-19.68	-34.70	-34.71	-34.30
Closing Balance	3178.22	3187.77	3222.47	3256.37

f) The incremental borrowing rate applied to above lease liabilities is 12.00%

g) The company has not made any payment towards above lease liabilities during any period / years covered by this restated financial information.

h) There are no lease concessions for the long-term leases of the company.

i) No contingent rent is payable under any of the above leases of the company.

44. Details of Foreign Exchange Transactions

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
FOB Value of Export	17,324.29	27,536.24	21,970.78	14,253.38
CIF Value of Import of Material	125.43	119.58	151.70	90.59
Expenditure in Foreign Currency	2,674.78	2,330.94	273.93	244.47
Total	20,124.50	29,986.76	22,396.41	14,588.44

45. Corporate Social Responsibility

The Company has formed a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. The funds have been spent on the activities specified in Schedule VII of the Act. Details of the CSR spending are as follows:

1. Gross amount required to be spent:

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs (Refer Note-1)	Year Ended March 31, 2021 Rs. in Lakhs (Refer Note-2)	Year Ended March 31, 2020 Rs. in Lakhs (Refer Note-2)	Year Ended March 31, 2019 Rs. in Lakhs (Refer Note-2)
Prescribed CSR expenditure	24.24	-	-	-

Notes:

- The amount disclosed is for the year ended March 31, 2022.
- For and upto the year ended March 31, 2021, the provisions of Section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility were not applicable to the company.

2. Amount spent for the period/years ended:

Particulars	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs (Refer Note-2)	Year Ended March 31, 2020 Rs. in Lakhs (Refer Note-2)	Year Ended March 31, 2019 Rs. in Lakhs (Refer Note-2)
Construction / acquisition of any asset	-	-	-	-
Other than above	24.25	-	-	-

44. The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India causing significant disturbance and slowdown of economic activity.

The company is monitoring the impact of global health pandemic on its financial position and liquidity. The company used the principles of prudence in applying judgments, estimates and assumptions. The Company has considered wherever applicable the possible effects on the carrying amounts of receivables, inventories, loans and other assets as on reporting date. Based on current indicators of future economic conditions, the management expects to recover the carrying amount of these assets in full without any loss. However, the impact of COVID-19 on the Company's restated financial information may differ over the period of time, from the estimated as of the date of approval of this restated financial information. Management will continue to closely monitor any material changes to future economic conditions.

46. Events after reporting period:

Subsequent to September 30, 2021; there are no events occurred which require disclosure or adjustments in this restated financial information.

47. The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information

As per our report of even date attached.

For and On Behalf of:
C. N. Somani & Associates
Chartered Accountants
FRN : 118147W

C. N. Somani
Proprietor
M.NO.: 017859
UDIN: - 21017859AAAALW3280

Place: Ahmedabad
Date: 04.12.2021

For and on behalf of the Board of Directors of
Nandan Terry Limited

SD/-

Ronak Chiripal
 Chief Executive Officer

SD/-

Brijmohan Chiripal
 Director
 DIN: 00290426

SD/-

Anshuman Srivastava
 Chief Financial Officer

SD/-

Vipin Rajput
 Director
 DIN: 08700962

SD/-

Deval Patel
 Company Secretary

Place: Ahmedabad
Date: 04.12.2021

Annexure VII - The Statement of Adjustments to Restated Financial Information					
(All amounts are in Lacs, unless otherwise stated)					
Statement of restatement adjustments					
Details of restatement / transitional adjustments made to net profit as well as equity of the audited financial statement along with reconciliation thereof are stated here-in-after:					
VII.1: Reconciliation of Total Comprehensive Income:					
Particulars	Foot Notes	For Six Months Ended September 30, 2021 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs	Year Ended March 31, 2020 Rs. in Lakhs	Year Ended March 31, 2019 Rs. in Lakhs
Net Profit as per Audited Financial Statements (A)		3028.04	1999.23	561.80	56.21
Add / (Less): Restatement Adjustments on account of transition to Ind-AS					
Allowance for Expected Credit Loss & reversal thereof	1	2.58	-0.44	-1.35	-2.83
Amortisation of leasehold assets	5	-19.68	-34.71	-34.71	-34.30
Interest costs under finance lease obligation	5	-1.44	-1.72	-1.77	-1.65
Reversal of rent charged to statement of profit and loss as ROU Assets & lease liabilities recognised	5	3.00	0.00	0.00	0.00
Effect of Changes in fair value of current investments classified through FVTOCI	2	0.00	501.60	0.00	0.00
Reclassification of net actuarial (gain)/ loss on employee defined benefit obligations to OCI	4	18.35	9.63	4.04	0.00
Deferred Tax (Charge) / Credit on above adjustments	3	-47.53	-121.38	-405.61	-52.28
Sub-Total (B)		-44.73	352.98	-439.40	-91.06
Add / (Less): Restatement Adjustments other than transition as stated above					
Adjustment in respect of Prior Period Errors	6	78.71	-14.46	0.00	-19.41
Reversal of Income-Tax Provision	7	0.00	0.00	0.00	3.84
Sub-Total (C)		78.71	-14.46	0.00	-15.57

Profit after tax as per Restated Financial Information (D) (A+B+C)		3,062.02	2,337.75	122.40	-50.41
Add / (Less): Restatement Adjustments on account of transition to Ind-AS					
Net actuarial gain / (loss) on employee defined benefit obligations	4	-18.35	-9.63	-4.04	0.00
Effect of Changes in fair value of current investments	2	221.40	99.00	-232.50	-411.30
Deferred Tax (Charge) / Credit on above adjustments	3	-51.10	-22.49	30.76	135.99
Total Other Comprehensive Income (E)		151.94	66.88	-205.78	-275.31
Total Comprehensive income for the period under Ind As (D+E)		3213.96	2404.62	-83.38	-325.73
VII.2: Reconciliation of Equity:					
Particulars	Notes	As at	As at	As at	As at
		September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Total Equity (Shareholder's Fund) as per previous GAAP		14970.83	11942.79	9943.56	9381.76
Year-wise Restatement Adjustments on account of transition to Ind-AS through profit & loss specified at note: VII.1	VII.1	-44.73	352.98	-439.40	-91.06
Year-wise Restatement Adjustments on account of transition to Ind-AS through other comprehensive income specified at note VII.1	VII.1	151.95	66.88	-205.78	-275.31
Year-wise Restatement Adjustments other than transition through profit & loss specified at note VII.1	VII.1	78.71	-14.46	0.00	-15.57
Opening adjustments (Refer note VII.3 for March 31, 2019)		-248.13	-653.53	-8.35	373.59
Total Adjustments		-62.21	-248.13	-653.53	-8.35
Total Equity as per Ind AS		14908.61	11694.65	9290.03	9373.41

VII.3: Reconciliation of opening retained earnings and total equity as on 01.04.2018 (date of transition)			
Particulars	Footnote	Retained Earning	Total equity
Amount as per audited financial statement as on 01.04.2018		255.54	9,325.55
Add / (Less): Restatement Adjustments on account of transition to Ind-AS			
Amortisation of Leasehold Assets	5	-83.55	-83.55
Interest costs under finance lease obligation	5	-2.14	-2.14
Effect of Changes in fair value of current investments classified through FVTOCI	2	46.81	46.81
Deferred Tax (Charge) / Credit on above adjustments	3	-15.48	-15.48
Deferred Tax Asset Recognised on Carried Forward Business Loss	3	474.79	474.79
Add / (Less): Restatement Adjustments other than transition as stated above			
Adjustment in respect of Prior Period Errors		-46.84	-46.84
Restated Amounts	6	629.14	9,699.14

1	<p>VII.4: Footnotes:</p> <p><u>Provision of Expected Credit Loss and impairment loss on trade receivable</u></p> <p>Under previous GAAP, provisions were made for specific receivables if collection was doubtful. Under Ind AS 109, the Company has applied expected credit loss model for recognising impairment of financial assets. Under expected credit loss model, the company has adopted simplified approach (provision is made on the basis of provision matrix).</p> <p>The company has recognised the amount of expected credit losses (or reversal) in statement of profit or loss, which is required to adjust the closing balances of loss allowance at the reporting date.</p>
2	<p><u>Change in fair value of non-current investments classified through FVTOCI</u></p> <p>Under previous GAAP, the company accounted for long-term investments in equity shares as investment measured at cost. As per Ind AS, investments in equity instruments have been revalued at fair value.</p> <p>The resulting fair value changes of these investments have been recognised in other comprehensive income. The impact of tax on the same is also adjusted to "Other Comprehensive Income" only.</p>
3	<p><u>Deferred Tax Adjustments:</u></p> <p>Tax adjustments include deferrred tax impact on account of differences between previous GAAP and Ind AS which mainly includes expected credit loss allowance, change in fair value of non-current investments classified through OCI, provision for employee benefits and written off expenses.</p> <p>Further under Ind AS, the company has also recognised deferred tax asset on previously carried forward business losses and unabsorbed depreciation.</p>
4	<p><u>Remeasurement of post employment benefit obligations</u></p> <p>As per Ind AS, remeasurement of defined benefit plans have been disclosed under 'Other Comprehensive Income' (OCI), which was being debited to statement of profit and loss under previous GAAP. The impact of tax on the same is also adjusted to "Other Comprehensive Income" only.</p>
5	<p><u>Adjustments on account of leasehold assets:</u></p> <p>Under Ind-AS, the company is required to recognise ROU assets and lease obligations for the assets taken under finance lease by measuring present value of the lease payments to be made over the period of lease.</p>

	<p>The ROU assets are amortized over the period of lease as per Ind AS 16 "Property, Plant & Equipment". Amortisation costs are charged to Statement of Profit & loss. At every year-end, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. These interest costs are charged to Statement of Profit & Loss. Related rental expenses recognised under previous GAAP need to be reversed to match the lease liabilities.</p>
6	<p><u>Adjustment in respect of Prior Period Errors:</u> Certain restated adjustments were related to errors made under previous GAAP and not related to transition to Ind-AS which includes provisioning of unrecognised expenses, reversal of prepayment charges, written off expenses etc. The same have been rectified at the time of preparing restated financial information and disclosed separately.</p>
7	<p><u>Reversal of Income Tax Provision:</u> The said adjustments include provision of income tax or reversal thereof according to restated profit & loss derived by making the above adjustments.</p>

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in lakh)

Particulars	As at and for the half year Ended Sept 30, 2021	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Net worth, as restated (A)	14857.35	11694.64	9290.03	9373.41
Profit after tax, as restated (B)	3062.02	2337.74	122.40	-50.41
Weighted average number of equity shares outstanding during the year (Before Bonus Share) (C)	4,57,62,360	1,52,54,120	1,52,54,120	1,52,54,120
Weighted average number of equity shares outstanding during the year (After Bonus Share) (D)	4,57,62,360	4,57,62,360	4,57,62,360	4,57,62,360
Number of shares outstanding at the end of the year before Bonus Share of Face value of Rs 10.00/- each (E)	4,57,62,360	1,52,54,120	1,52,54,120	1,52,54,120
Number of shares outstanding at the end of the year after Bonus Share of Face value of ₹ 10.00/- each (F)	4,57,62,360	4,57,62,360	4,57,62,360	4,57,62,360
Basic / Diluted earnings per share (in ₹) - (B/C)	6.69	15.33	0.80	-0.33
Adjusted Basic / Diluted earnings per share (in ₹) - (B/D)	6.69	15.33	0.80	-0.33
Return on net worth (%) - (B/A)	20.61%	19.99%	1.32%	-0.54%
Net asset value per share of ₹10 each before bonus issue share - (A/E)	32.47	76.67	60.90	61.45
Net asset value per share of ₹10 each after bonus shares of face value of ₹10 each - (A/F)	32.47	25.56	20.30	20.48
EBITDA (in ₹ lakh)	7037.64	8724.22	6215.24	5080.95
EBITDA Margin (%)	14.02%	16.20%	14.47%	15.77%

Notes:

1. The ratios have been computed as per the following formulas:
 - i) Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period (as adjusted for change in capital due to issue of bonus shares made by the Company on 31st July, 2021 as approved by the Board of the Company on 30th July, 2021)
 - ii) Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year/ period (as adjusted for change in capital due to issue of bonus shares made by the Company on 31st July, 2021 as approved by the Board of the Company on 31st July, 2021).
 - iii) Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year/ period divided by Net worth as at the end of the year/period
 - iv) Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/ period (as adjusted for change in capital due to issue of bonus shares made by the Company on 31st July, 2021 as approved by the Board of the Company on 31st July, 2021)
2. EBITDA: Aggregate of restated profit/(loss) before tax, finance cost, depreciation and amortisation.
3. We calculate EBITDA Margin as EBITDA divided by total income
4. Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.
5. "Net Worth" means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, as per the restated statement of assets and liabilities of our Company in the Restated Financial Information.

In accordance with the SEBI ICDR Regulations the audited financial statements of our Company as at and for the Financial Year ended March 31, 2021, March 31, 2020, and March 31, 2019 and the reports thereon dated June 28, 2021, November 12, 2020 and September 4, 2019, respectively (collectively the "**Audited Financial Statements**") are available at www.nandanterry.com.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, 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 SEBI ICDR Regulations, 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 in order to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any BRLMs, 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.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Financial Statements for the period ended on September 30, 2021 and for the Financial Year ended on March 31, 2021, 2020, and 2019 including the related notes and reports thereon, each included in this Draft Red Herring Prospectus.

*This discussion contains forward-looking statements that involves risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information see the section titled "**Risk Factors**" and the chapter titled "**Forward Looking Statements**" beginning on pages 38 and 28 respectively of this Draft Red Herring Prospectus, for discussion of uncertain factors that may affect our business, financial condition and results of operations.*

*Unless otherwise indicated or the context otherwise requires, the financial information for the period ended on September 30, 2021 and for the Financial Year ended on March 31, 2021, 2020, and 2019 included herein is derived from Restated Financial Statements, included in this Draft Red Herring Prospectus. For further information, see the chapter titled "**Restated Financial Statements**" beginning on page 250 of this Draft Red Herring Prospectus.*

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company" or "the Company", refers to Nandan Terry Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from sources mentioned in the chapter titled "**Industry Overview**" beginning on page 134 of this Draft Red Herring Prospectus.*

OVERVIEW

Our Company is part of the Ahmedabad based Chiripal Group, which enjoys presence in industries such as textiles, education, real estate, packaging and chemicals and offers a wide spectrum of manufacturing, contract manufacturing, trading, distribution and service-related activities in sectors like textiles, education, packaging, infrastructure, petrochemical etc. Our Company was incorporated in 2015 and has emerged as a fully vertically integrated company engaged in principle business of manufacturing terry towels & toweling products. We procure cotton bales from domestic and international markets and manufacture cotton yarn which are in turn used as a raw material in manufacturing of terry towels & toweling products. To meet the demand in the market, we get finished towels / woven fabric manufactured on outsourced basis which further undergoes CSP (Cutting, Stitching, Packing) process at our unit. Apart from manufacturing terry towels & toweling products, we sell cotton yarn manufactured at out units at times to achieve better sales realizations. Additionally, we sell woven fabric cloth in open market which is manufactured at our units as per the demand scenario prevailing in the industry.



Moreover, our five (5) manufacturing units / facilities are situated in the state of Gujarat, India and cater to manufacturing of terry towels & toweling products in business – to – business (B2B) segment. Our Company designs and manufactures wide portfolio of terry towels & toweling products for various domestic and international brand. Our Company also has an in-house research and design facility to cater to all kind of designs and trends as per customer's need. Our strict compliance with the internal quality control and international standards of quality, has enabled us to expand our operations internationally to countries including United States of America, Canada, Israel, Germany, Hong Kong, Sweden, United Kingdom, Australia etc.

We are certified by some of most reputed global certification agencies for our quality, environment consciousness, labor practices, our processes and customer services such as OEKO-TEX, SEDEX, GOTS (Global Organic Textile Standard), SA 8000 etc. For further information, see chapter titled **“Government and other Approvals”** on page 378 of this Draft Red Herring Prospectus.

Our Company was awarded Silver Plaque for reaching highest export of Terry Towels in Rs.10-100 Crores category by the Cotton Textiles Export Promotion Council (TEXPROCIL) in year 2017 – 18. Our Company was also awarded Gujarat - Best Employer Brand Award in 2018. Our Chief Executive Officer (CEO), Ronak Brijmohan Chiripal has been awarded Indian Achievers Award, 2021 for Young Entrepreneurs.

Our revenues from operations for the period ended on September 30, 2021 and for Fiscals 2021, 2020 and 2019 were ₹ 50,181.18 Lakh, ₹ 53,852.43 Lakh, ₹ 42,938.62 Lakh and ₹ 32,216.59 Lakh respectively. Our EBITDA for the period ended on September 30, 2021 and for Fiscals 2021, 2020 and 2019 were ₹ 7,011.38 Lakh, ₹ 8,682.53 Lakh, ₹ 6,184.38 Lakh and ₹ 5,054.79 Lakh respectively. Our profit after tax for the period ended on September 30, 2021 and for Fiscals 2021, 2020 and 2019 ₹3,062.02 Lakh, ₹ 2,337.74 Lakh, ₹ 122.40 Lakh and ₹ (50.41) Lakh respectively. For further details, see the section titled **“Restated Financial Statements”** beginning on page 250 of this Draft Red Herring Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

*Our restated Ind AS summary statements of assets and liabilities as on September 30, 2021 and March 31, 2021, March 31, 2020 and March 31, 2019 and the restated Ind AS summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the period ended on September 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 together with the summary of significant accounting policies and explanatory information thereon (collectively, the **“Restated Financial Statements”**), have been derived from our audited financial statements as at and for the period ended September 30, 2021 prepared in accordance with AS 25 and as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Indian GAAP, and is reclassified / remeasured to Ind-AS, by preparing proforma Ind-AS financial statements and further restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended.*

TRANSITION FROM INDIAN GAAP TO IND AS FINANCIAL STATEMENTS

Our company has adopted Ind AS for the preparation of financial statements for the financial year beginning from April 1, 2021. The audited financial statements as at September 30, 2021 and for the year ended March 31, 2021, 2020 and 2019 were prepared in accordance with Indian GAAP and the same have been converted into Ind AS by our management to align accounting policies, exemptions and disclosures as adopted by our Company for the transition to Ind AS in the context of the preparation of the September 30, 2021 and March 31, 2021, 2020 and 2019 Ind AS audited financial statements. In preparing these financial statements, our company's opening balance sheet was prepared as at April 1, 2018, our Company's date of transition to Ind AS. In preparing the proforma Ind AS financial statements for the year ended 2021, 2020 and 2019 our company prepared opening balance sheet as at April 1, 2018, being proforma date of transition to Ind AS. For further information, see the chapter titled "**Restated Financial Statements**" beginning on page 250 of this Draft Red Herring Prospectus.

*Ind AS differs in certain material respects from Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which our financial statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. As a result, the Restated Financial Information Statements may not be comparable to our historical financial statements. For Reconciliation of Indian GAAP to Ind AS please refer Annexure VII pertaining to reconciliation between Indian GAAP and Ind AS in the chapter titled "**Restated Financial Statements**" beginning on page 250 of this Draft Red Herring Prospectus.*

SIGNIFICANT MATERIAL DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially and adversely affect or are likely to affect the business activities or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

KEY FACTORS THAT MAY AFFECT OUR RESULTS OF OPERATION

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Ability to expand the customer base and develop new products capabilities to meet evolving preferences in the Textile industry and generate new sales.

Customer relationships are the core of our business. Our ability to grow our customer base and drive market adoption of our products is affected by the pace at which the textile industry grows globally. We expect that our revenue growth will be primarily driven by the pace of adoption of our offerings. This will drive our ability to acquire new customers and increase sales to existing customers, which in turn, will affect our future financial performance.

We have grown our operations by introducing quality products to meet potential requirements of our customers and create market for our products, domestically and internationally. To service and grow our relationships with our existing customers and to win new customers, we are required to provide them with products that address their quality and other requirements, to anticipate and understand trends in their relevant markets and to

continually address their needs as those change and evolve.

Our future growth shall depend on our ability to identify emerging market trends, offer new products and new designs to customers, inculcate strong culture of innovation, have trained workforce and latest research and development facilities to enable us to expand the range of our offerings to customers and improve the delivery of our products along with growing our portfolio of various sized products to increasingly represent our revenue from operations, widened the customer base that we cater to, and typically have a higher margin profile.

2. Ability to increase the manufacturing capacities to meet the robust demand in the market

Capacity utilization is affected by our product mix and the demand and supply balance, which in turn affects our gross profit margin. Our ability to maintain our profitability depends on our ability to optimize the product mix to support high-margin with consistent long-term demand; and the demand and supply balance of our products in the principal and target markets. We have a combined installed production capacity of 55,247 MT for FY 2020-21 which is the sum total of our vertically integrated units comprising of Spinning, Weaving, Process House, Yarn Dyeing and CSP units. For details of the capacity utilised for each unit for the year ended on March 31, 2021, 2020 and 2019, see the chapter titled “*Our Business*” beginning on page 155 of this Draft Red Herring Prospectus. Further, our capacity is almost fully utilized and our future ability to profitably expand our capacities is dependent future capital expansion of the installed capacity in the manufacturing units which in turn will play a vital role in the future growth of our Company.

Furthermore, going forward, we believe that to meet our robust demand we may have to engage with companies and other entities, who manufacture qualitative products as per our specification on an outsourced basis. This shall enable us to overcome our manufacturing capacity constraints offer comprehensive product range to our customers, increase sales and cash flows from operations. The future success of our business will depend in part in our ability to make further capital expenditure, respond to technological advances, increase our product capacities and ability to procure qualitative products on outsourced basis in a cost effective and timely manner, else we will not be able to meet the future growth potentials.

3. Ability to control materials cost and other manufacturing expenses such as power and fuels and stores and packing materials.

Cotton is the most vital raw material used in our manufacturing process for all our products specially, cotton yarn, as we process cotton yarn to manufacture our finished products. We significantly depend on our main raw material which is procured from various domestic and foreign vendors. Our costs of materials consumed, changes in inventories of finished goods, work in progress and stock in trade amounted to ₹ 35,245.96 Lakh, ₹ 31,934.36 Lakh, ₹ 24,287.62 Lakh, ₹ 17,428.21 Lakh for the period ending on September 30, 2021 and for the fiscal year ending on March 31, 2021, 2020 and 2019 respectively which represented 70.23%, 59.30%, 56.56% and 54.09% of our revenue from operations of respective years. We do not have any long-term agreements with any of our raw materials suppliers and we obtain such raw materials by placing purchase orders with our suppliers from time to time, which may affect costs and availability of raw materials required. The availability of raw materials is also subject to a number of factors beyond our control including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters competition.

Further our other manufacturing expenses comprising of stores, spares and packing materials consumed, power and fuels, job work expenses and repairs & maintenance represents a significant part of our direct costs of our total expenses. The manufacturing costs accounts for a significant percentage of our cost of operations. For the period ending on September 30, 2021 and for the Financial Year ending on 2021, 2020 and 2019, our manufacturing costs were 7.72%, 13.87%, 14.62% and 14.96%

As we continue to expand the size and scope of our business, optimizing our materials consumed costs and direct costs and generating higher gross margins will be critical to maintain our competitiveness and profitability, particularly in view of the pricing pressure we face and highly fragmented and competitive environment we operate in. Any inability on our part to procure sufficient quantities of raw materials and on commercially accepted terms, could impact our business and results of operations. Further any significant increase in our material cost consumed and direct costs that we are unable to pass on to our clients through periodic revisions in our prices or absorb through changes in our operations may adversely affected our business and results of operations.

4. Sales and Marketing

We have deployed a team of efficient and dedicated marketing professionals for the marketing and promotion of our products in the unorganized and the organized sector of the textile industry. Our marketing team constantly monitors and scours the trends in the market. Regular interaction is required to maintain the client base and to gain insight into the design and specification needs of the diverse clientele in domestic and international market.

We constantly seek to grow our product reach to underpenetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our network. Our success is dependent on our ability to enter and expand our network in new markets which is further dependent on our familiarity with the economic condition, customer base and commercial operations in new regions. With limited presence, our ability to gain market share is also dependent on our ability to compete with companies that may have an existing strong presence.

However, we may not be successful in expanding our network or increasing our market presence. Further, we may also face disruptions in selling our products for various reasons such as transportation bottlenecks, raw material inaccessibility, competition activities, labor issues, natural disasters, absence of professional & technical expertise, etc. which may result in disruptions to our business.

5. Ability to cop up with changes in laws, regulations and trends relating to the industry in which we operate

The regulatory and policy environment in which we operate is evolving and subject to change. Our success is dependent on our ability to identify and respond to the economic, social, and other trends that affect demographically and customer preferences in our product categories. We commit time, funds and other resources to identify product opportunities and develop the products to meet these requirements. Industry laws and trends change from time to time and may affect the demand for a particular type of product. Our ability to consistently gain

market share therefore depends on our ability to develop the products and the acceptance and demand for the products by customers, domestically and internationally. If we are able to anticipate and respond to our customers' requirements on a timely and cost-efficient basis, we would expect to receive repeat business from existing customers.

Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

6. Increasing competition in the industry

The industry in which we operate is highly competitive and fragmented. Competition emerges from small as well as big players in the textile and home furnishing industry. Our competition varies across various markets and geographical areas. We face competition from both domestic and international companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships.

Further, some of our current and potential competitors include large international companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have.

Our ability to compete successfully will depend, in significant part, on our ability to differentiate and effectively supply our products, reduce costs by improving productivity, eliminating redundancies, adapting to new technologies.

7. Changes in fiscal, economic or political conditions in India

We are incorporated in India and conduct our corporate affairs and business in India as well as abroad. Consequently, our business operations, financial performance and the market price of our Equity Shares are affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India and other countries to a certain extent.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition along with the price of the Equity Shares.

8. COVID-19 Pandemic

In late calendar 2019, COVID-19, was first reported in China. Since then, the virus has progressively spread globally to many countries. The pandemic outbreak caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The demand for our products is dependent on and directly affected by factors affecting industries where our products are used.

When the first wave hit the country, our manufacturing facilities were completely shut down for around 2 weeks in first quarter of FY 2020-21 due to government restrictions. After government decided to grant permission to start industrial activity, our spinning unit resumed operations. In May, 2020, our remaining units also resumed operations. Since most of the factory employees were stationed within and nearby premises of our manufacturing facility, our manufacturing facilities promptly resumed production. During the second wave, the lockdown did not halt operations within our factories after Central Government lifted partial restrictions and the factories were running at 75% - 90% capacity after lockdown. Due to increase in hygiene related product consumption on account of COVID-19, the market for towel and toweling product has improved and the market has continued to stay robust with respect to demand. International market has also continued to stay robust with respect to demand.

Although we did not achieve the growth and profits as projected during the first quarter of FY 2020-21 but our Company managed to take proactive steps to ensure that the business lost was regained in the forthcoming quarters and we continue to closely monitor the impact that COVID-19 may have on our business and results of operations.

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

a. Compliance with Ind AS:

The Restated Statement of Assets and Liabilities of the Company as at September 30, 2021, March 31, 2021, March 31, 2020 & March 31, 2019 and; The Restated Statement of Profit and Loss, Restated Statement of Changes in Equity & Restated Statement of Cash Flows for six months ended September 30, 2021 as well as the year ended March 31, 2021, March 31, 2020 & March 31, 2019 (hereinafter collectively referred to as “Restated Financial Information”); have been prepared specifically for inclusion in the Draft Red Herring Prospectus to be filed by the Company with SEBI in connection with proposed Initial Public Offering (“IPO”) of its equity shares. These financial information statements were authorised for Issue by the Board of Directors of the Company on December 04, 2021 .

The Restated Financial Information of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) and notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof. These Restated Financial Information have been prepared to comply in all material respects with the requirements of

- i) Section 26 of Part I of Chapter III to the Companies Act, 2013;
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the SEBI regulations”); and
- iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended from time to time.

The audited special purpose interim financial statements of the Company as at and for six months period ended September 30, 2021 prepared in accordance with recognition and measurement principles under Accounting Standard ('AS') 25 "Interim Financial Reporting", specified under Section 133 of the Companies Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 04, 2021.

The audited financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with the accounting standards notified under the section 133 of the Act (“Indian GAAP”) at the relevant time which were approved by the Board of Directors at their meeting held on June 28, 2021, November 12, 2020 and September 04, 2019 respectively.

Therefore in order to comply with requirements of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended; read with Section 133 of the Companies Act, 2013, the previous financial information for six months ended September 30, 2021 as well as for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 included in such Indian GAAP audited financial statements is reclassified / remeasured to Ind-AS, by preparing proforma Ind-AS financial statements which were approved by Board of Directors of our Company at its meeting held on December 04, 2021.

The proforma Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for six months ended September 30, 2021 as well as for the year ended March 31, 2021, March 31, 2020, and March 31, 2019. The Company has presented an explanation of how the transition to IND-AS has affected the previously reported total equity and profits of the company.

See “**Restated Financial Statements - Annexure VII - The Statement of Adjustments to Restated Financial Information**” at page 315 of this Draft Red Herring Prospectus for details of restatement / transitional adjustments made to net profit as well as equity of the audited financial statement along with reconciliation thereof.

b. Functional and presentation currency:

The restated financial information has been presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts are in rupees, unless otherwise stated.

c. Basis of measurement:

The restated financial information has been prepared on the historical cost basis except for following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value
Net defined benefit liability	Present value of defined benefit obligation less fair value of plant assets (if any)

d. Use of estimates and judgements:

The preparation of the restated financial information in conformity with the recognition and measurement principles of Ind AS, requires the management of our Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at each reporting date and the reported amounts of income and expense for the periods presented. The estimates and assumptions used in the accompanying restated financial information are based upon management's evaluation of relevant facts and circumstances as at each reporting date. Management believes that the estimates used in the preparation of restated financial information are prudent and reasonable. Actual results could differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at each reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are specified here-in-after:

e. Useful lives of property, plant and equipment

Our Company is providing depreciation at the rates derived based on the useful life specified under Schedule-II to the Companies Act. Our Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

f. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the restated financial information.

A contingent asset is neither recognised nor disclosed in the restated financial information.

Major provisions recognized in the restated financial information and related accounting policy are specified as under:

For further information on measurement of defined benefit obligations, see *“Restated Financial Statements – Annexure VI – Notes to Restated Financial Information – Note 19 and Note 35”* at pages 287 and 293 respectively of this Draft Red Herring Prospectus. For further information on current / deferred tax liabilities, see *“Restated Financial Statements – Annexure VI – Notes to Restated Financial Information – Note 9, 14, 20, 31 and 32”* at pages 279, 282, 287, 291 and 292 respectively of this Draft Red Herring Prospectus. For further information on impairment of financial assets, see *“Restated Financial Statements – Annexure VI – Notes to Restated Financial Information – Note 12”* at page 281 of this Draft Red Herring Prospectus.

g. Other estimates:

The preparation of restated financial information involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the reporting date and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

3. Significant Accounting Policies:

a) Revenue recognition:

The Company derives revenue principally from sale of its products: terry towels.

i. Sale of Goods:

The Company recognizes revenue from sale of goods when it satisfies a performance obligation in accordance with the provisions of contract / invoicing with the customer.

This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence & loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. Hence in case where there is no uncertainty as to measurement or collectability of consideration, revenue is recognised as soon as the control of the products has been given. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Our Company considers expenses incurred for shipping, handling and transportation activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping, handling and transportation costs are recorded as a component of revenue.

In certain customer contracts, shipping, handling and transportation services are treated as a distinct separate performance obligation and the Company recognizes revenue for such services when the performance obligation is completed.

Our Company considers the terms of the contract / invoicing in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting discounts, volume rebates etc.

In Company's case, no element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

ii. Sale of Services - Job work charges:

The Company recognizes revenue from sale of services when it satisfies a performance obligation in accordance with the provisions of contract / invoicing with the customer. Generally, revenue is recognised post provision of services to the customers.

iii. Other Operating Revenue:

Export incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received in accordance with the policy of Government Grants and Subsidies specified at note no. 3(j).

The Company recognizes revenue from scrap sale as and when the scrap is sold to the customer and there is no uncertainty of the collection from the customer.

b) Other Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the right to receive such income is established.

c) Property, Plant & Equipment:

Buildings & leasehold assets held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of assets & liabilities at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction (CWIP) for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's

accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

All other Property, Plant and Equipments are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than leasehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

d) Depreciation on Property, Plant & Equipment:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property, plant and equipment is provided using the Straight-Line Method (SLM) over the useful lives specified under Schedule II to the Companies Act, 2013 which is specified below:

Particulars of asset category (Property, Plant & Equipment)	Useful life (In Years)	Reference
Buildings	30	In line with Sch. II of the Companies Act
Plant & Machineries	15	
Furniture & Fixture	10	
Vehicles	8	
Office Equipments	5	
Computers	3	

For amortisation of leasehold assets refer accounting policy specified at note no. 3(i).

e) Intangible Assets and Amortization:

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, commencing from the date the asset is available to the Company for its intended use.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Details of useful lives over which intangible assets are amortized are stated below:

Particulars of asset category (Intangible Assets)	Useful Life (Years)
Computer Software	5 Years
Website Development	5 Years

f) Impairment of Property, Plant & Equipment and intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

g) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

h) Inventories:

Raw Materials, Packing Materials, Stores and Spares

Raw Materials, Packing Materials, Stores & Spares and consumables are valued at lower of cost (net of refundable taxes and duties) and net realizable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their location and condition. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished Goods and Work-in-progress

Work-in-progress and finished goods are valued at lower of cost and net realizable value. The cost of work-in-progress of inventory is determined on weighted average basis. The cost of work-in-progress and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition. Obsolete, slow moving and defective inventories are identified and provided for.

i) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right to use the assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortized on a straight-line basis over the lease term. If the Leasehold assets are being utilised for construction of other assets, amortization charge of the same during construction phase of

the manufacturing plant is capitalised as a part of capital work-in-progress and then transferred to respective heads of property, plant and equipment upon completion of plant.

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are fixed payments. In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification due to a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Government Grants and Subsidies:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of assets & liabilities and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. The same are presented under 'Other Operating Revenue' in the statement of profit and loss, except for grants received in the form of rebate or exemptions which are deducted in

reporting the related expense.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

k) Financial Instruments:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

ii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

iii. Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

iv. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognized at the proceeds received, net of direct issue costs. Issue costs are adjusted to premiums received at the time of share issue.

v. Impairment of financial assets

The Company applies expected credit losses (“ECL”) model for measurement and recognition of loss allowance on the following:

- Trade receivables and lease receivables,
- Financial assets measured at amortized cost (other than trade receivables and lease receivables),
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables.

Provision matrix is developed considering the following:

- Historical credit loss experience, adjusted as appropriate to reflect current conditions and reasonable & supportable forecasts of future economic conditions,
- The number of days that a trade receivable is past due,
- Appropriate grouping or segmentation if the historical experience shows different loss patterns for different customer segments, e.g., geographical region, customer rating, product type etc.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12- month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss under the head ‘other expenses.’

l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible

to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within current borrowings in current liabilities.

m) Foreign currency:

The functional currency of the company is Indian rupee.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the reporting date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

n) Retirement and other employee benefits:

i. Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognizes related restructuring costs or termination benefits.

ii. Defined contribution plans

Contribution to defined contribution plans is recognised as expense when employees have rendered services entitling them to such benefits.

iii. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

o) Income Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the restated financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

p) Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash

flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q) Earnings per equity share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the restated financial information by the Board of Directors.

r) Dividend:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

s) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Principal components of Income and Expenditure

Income and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

- **Revenue from operations** - Our revenue from operations comprises of revenue from (i) sale of manufactured products i.e., towel and toweling products, cotton yarn and woven fabric (Exports and domestic sales) (ii) Other operating revenue i.e., export incentives, scrap sales etc. Our revenue from operations can be divided as follows:

(₹ in Lakh)

Particulars	For the period ended on September 30, 2021		FY 2020-21		FY 2019-20		FY 2018-19	
	Amount	%	Amount	%	Amount	%	Amount	%
Manufacturing Sales (Towel and Toweling Products)								
- Domestic	19457.27	38.77	13087.44	24.30	10217.96	23.80	15485.59	48.07
- Exports	17330.15	34.54	25795.04	47.90	21866.22	50.92	14181.21	44.02
Manufacturing Sales (Yarn)								
- Domestic	6535.17	13.02	11398.26	21.17	9152.12	21.31	1011.38	3.14
- Exports	-	-	-	-	-	-	-	-
Manufacturing Sales (Woven Fabric)								
- Domestic	4522.31	9.01	-	-	-	-	-	-
- Exports	-	-	-	-	-	-	-	-
Export Incentives	2055.61	4.10	3161.95	5.87	1410.69	3.29	1336.55	4.15
Scrap Sales	280.67	0.56	409.74	0.76	289.8	0.68	-	-
Others (Sale of Services etc.)	-	-	-	-	1.83	0.00	201.86	0.63
Total	50181.18	100.00	53852.43	100.00	42938.62	100.00	32216.59	100.00

- **Other Income** - Our other income mainly includes interest from Bank, reversal of expected credit loss allowance and miscellaneous other income.

Expenses

Our expenses comprise of cost of materials consumed, Changes in inventories of Finished Goods and WIP, employee benefit expenses, finance costs, depreciation & amortization expenses and other expenses.

- **Cost of material consumed** - Cost of material consumed primarily consists of expenses which are directly attributable to the purchase of our raw materials i.e., cotton and cotton yarn, expenses incurred in relation to purchase of packaging materials and import expenses.

- **Change in inventories of Finished Goods and WIP** - Changes in inventories of finished goods and work-in-progress which comprises net increase or decrease in inventory levels of finished goods and changes in work in progress. It is calculated based on the opening inventory of finished goods and work-in-progress adjusted for closing inventory of finished goods and work-in-progress.
- **Employee benefit expenses** - Our employee benefit expenses mainly include Salaries, wages and bonus, contribution to provident fund and other funds and staff welfare expenses.
- **Finance costs** - Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans and unsecured loan. Other finance costs consist of finance charges on leasehold assets and other borrowing costs.
- **Depreciation and amortization expenses** - Depreciation and amortisation expense comprises (i) depreciation on property, plant and equipment; and (ii) amortisation of other intangible asset over its useful life.
- **Other expenses** - Other expenses comprise of (i) manufacturing expenses like Power and Fuel Expenses, Consumption of Stores, Spares and Packing Material and other manufacturing expense (ii) Administrative Expenses like Legal & Professional Fees, Insurance Expenses, House Keeping Expenses, communication expenses, etc. (iii) Selling and Distribution Expenses like Shipping and Forwarding Charges, Transportation Expenses, Business Promotion Expense, etc. along with other miscellaneous costs.

NON-GAAP MEASURE

EBITDA and EBITDA Margin, presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA and EBITDA Margin are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA and EBITDA Margin, are not standardized terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of EBITDA and EBITDA Margin to Net Profit After Tax

The table below reconciles net profit after tax to EBITDA. EBITDA is calculated as net profit after tax, plus finance cost, depreciation, amortization and impairment expenses and tax expenses, and less other income, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

(₹ in Lakh)

Particulars	As on September 30, 2021	FY 2020-21	FY 2019-20	FY 2018-19
Net Profit After Tax (I)	3,062.02	2,337.74	122.40	(50.41)
Add: Finance costs (II)	1,588.79	2942.66	3,185.29	3,385.70
Add: Depreciation, amortization and impairment expenses (III)	1,342.53	2636.31	2,634.52	1,733.48
Add: Tax expenses (IV)	1,044.30	807.51	273.03	12.18
Less: Other income	26.26	41.69	30.86	26.16
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) V = I + II +III+IV	7,011.38	8,682.53	6,184.38	5,054.79
Revenue from operations (VI)	50,181.18	53,852.43	42,938.62	32,216.59
EBITDA Margin (EBITDA as a percentage of Revenue from Operations) IX = (V/VI)	13.97%	16.12%	14.40%	15.69%

OUR RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations for the period ended September 30, 2021 and for the Financial Year ended on March 31, 2021, 2020, 2019, the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in Lakh)

Particulars	For the period ended September 30, 2021		For the Year ended March 31, 2021		For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	₹ in Lakh	(%)	₹ in Lakh	(%)	₹ in Lakh	(%)	₹ in Lakh	(%)
Revenue:								
Revenue from operations	50,181.18	99.95%	53,852.43	99.92%	42,938.62	99.93%	32,216.59	99.92%
Other income	26.26	0.05%	41.69	0.08%	30.86	0.07%	26.16	0.08%
Total Revenue	50,207.44	100.00%	53,894.12	100.00%	42,969.48	100.00%	32,242.75	100.00%
Expenses:								
Cost of materials consumed	36,852.05	73.40%	31,951.83	59.29%	22,855.23	53.19%	19,217.50	59.60%
Changes in inventories of Finished Goods and WIP	(1,606.09)	-3.20%	(17.47)	-0.03%	1,432.39	3.33%	(1,789.29)	-5.55%
Employee benefits expense	2,536.03	5.05%	3,622.59	6.72%	4,156.46	9.67%	3,358.92	10.42%
Finance costs	1,588.79	3.16%	2,942.66	5.46%	3,185.29	7.41%	3,385.70	10.50%
Depreciation and amortisation expense	1,342.53	2.67%	2,636.31	4.89%	2,634.52	6.13%	1,733.48	5.38%
Other expenses	5,387.82	10.73%	9,612.94	17.84%	8,310.16	19.34%	6,374.67	19.77%
Total Expenses	46,101.13	91.82%	50,748.86	94.16%	42,574.05	99.08%	32,280.98	100.12%
Profit / (loss) before tax	4,106.31	8.18%	3,145.26	5.84%	395.43	0.92%	(38.23)	-0.12%
Tax Expense								
Current Tax	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Deferred tax (credit)/charge	1,044.30	2.08%	807.51	1.50%	273.03	0.64%	12.18	0.04%
Total Tax Expense	1,044.30	2.08%	807.51	1.50%	273.03	0.64%	12.18	0.04%
Profit for the year/period	3,062.02	6.10%	2,337.74	4.34%	122.40	0.28%	(50.41)	-0.16%

SUMMARY ON RESULT OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

Total Revenue

The total revenue of the company for the six months ended on September 30, 2021 was ₹ 50,207.44 Lakh which comprises of revenue from operations and other income as described below.

Revenue from operations

Revenue from operations amounting to ₹ 50,181.18 Lakh, contributed to 99.95% of the total revenue. Revenue from operations primarily include revenue from sale of towels and toweling products, sale of cotton yarn and woven fabric and export incentives received by the company. Our Company also earns certain portion of its income from scrap sales. Our Company procures cotton from domestic and international markets and manufactures cotton yarn which are in turn used as a raw material. This cotton yarn manufactured in our units is sold to ensure full utilization of our installed capacity. Further, woven fabric cloth manufactured in the units that are not suitable as per quality requirements of the end customers is also sold externally.

Other income

Other income amounting to ₹ 26.26 Lakh for the six months ended on September 30, 2021 mainly comprises of Interest income from Bank of ₹ 23.69 Lakh.

Total Expenses

Our total expenses were ₹ 46,101.13 Lakh for the six months ended on September 30, 2021, representing 91.82% of the total revenue for the period.

Cost of material consumed

Cost of materials consumed for the six months ended on September 30, 2021 was ₹ 36,852.05 Lakh which includes change in the raw material inventory in addition to the purchases made during the period.

Changes in inventories of Finished Goods and WIP

Changes in inventories of Finished Goods and WIP for the six months ended on September 30, 2021 was ₹ (1,606.09) Lakh. This comprises of change in the Finished Goods inventory of ₹ (516.54) Lakh and Work-in-Progress inventory of ₹ (1,089.55) Lakh made during the period.

Employee Benefit Expenses

Our employee benefit expense was ₹ 2,536.03 Lakh for the six months ended on September 30, 2021, primarily comprising of (i) ₹ 2,413.63 Lakh towards salaries, wages and bonus paid to our employees; (ii) ₹ 76.70 Lakh towards contribution to provident fund and other funds; and (iii) ₹ 45.70 Lakh towards staff welfare expenses.

Finance Costs

Our finance cost was ₹ 1,588.79 Lakh for the six months ended on September 30, 2021, primarily comprising ₹ 1,498.45 Lakh in interest expense to banks.

Depreciation and Amortization Expenses

Our depreciation and amortisation expense were ₹ 1,342.53 Lakh for the six months ended on September 30, 2021, comprising (i) depreciation of property, plant and equipment of ₹ 1,336.35 Lakh; and (iii) amortisation of intangible assets of ₹ 6.18 Lakh. Our property, plant and equipment are depreciated over periods corresponding to their estimated useful lives. For further details see “**Significant Accounting Policies**” at page 262 of this Draft Red Herring Prospectus.

Other expenses

Our other expenses were ₹ 5,387.82 Lakh for the six months ended on September 30, 2021 comprising primarily (i) ₹ 3,873.84 Lakh of manufacturing expenses; (ii) ₹ 1,104.78 Lakh in selling and distribution expenses; and (iii) ₹ 409.20 Lakh in administrative expenses. For detailed breakup, see the chapter titled “**Restated Financial Statements**” beginning on page 250 of this Draft Red Herring Prospectus.

Tax Expenses

Our tax expenses comprise of current tax and deferred tax.

Restated profit for the year

As a result of the foregoing factors, our restated profit for the period was ₹ 3,062.01 Lakh.

COMPARISON OF RESTATED FINANCIALS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021 WITH FINANCIAL YEAR ENDED MARCH 31, 2020

Total Revenue:

(₹ in Lakh)

2020-21	2019-20	Variance in %
53,894.12	42,969.48	25.42%

Our total revenue has increased by 25.42% to ₹ 53,894.12 Lakh for financial year 2020-21 from ₹ 42,969.48 Lakh for financial year 2019-20 bifurcated into revenue from operations and other income.

Revenue from Operations

(₹ in Lakh)

2020-21	2019-20	Variance in %
53,852.43	42,938.62	25.42%

Revenue from Operations has increased by 25.42% to ₹ 53,852.43 Lakh for financial year 2020-21 from ₹ 42,938.62 Lakh for financial year 2019-20. This increase was majorly driven by increase in sale of towel and toweling products and sale of cotton yarn. Cotton yarn is manufactured from cotton procured from domestic and international markets which in turn is used as a raw material. Cotton yarn which is not suitable as per quality requirements for further processing, is sold externally to

ensure full utilization of our installed capacity. Moreover, increase in export incentives received by the company also added to the increase revenue from operations.

Other Income

(₹ in Lakh)

2020-21	2019-20	Variance in %
41.69	30.86	35.09%

During the year 2020-21, the other income of our Company increased to ₹ 41.69 Lakh from ₹ 30.86 Lakh in 2019-20, representing an increase of 35.09%. This was majorly due to increase in miscellaneous income by ₹ 20.59 Lakh. However, this increase was partially offset by decrease in interest income from banks by ₹ 9.77 Lakh.

Total Expense

(₹ in Lakh)

2020-21	2019-20	Variance in %
50,748.87	42,574.05	19.20%

The total expenditure for the financial year 2020-21 was increased to ₹ 50,748.87 Lakh from ₹ 42,574.05 Lakh in 2019-20, representing a 19.20% increase, owing to increased business activities of the company and factors described below.

Cost of material consumed

(₹ in Lakh)

2020-21	2019-20	Variance in %
31,951.83	22,855.23	39.80%

Cost of material consumed for the financial year 2020-21 increased to ₹ 31,951.83 Lakh from ₹ 22,855.23 Lakh in 2019-20, representing an increase of 39.80%. This increase is primarily due to increase in Revenue. This increase is attributable to increase in purchases owing to increased demand of products in domestic / international market and maintenance of stock.

Changes in inventories of Finished Goods and WIP

(₹ in Lakh)

2020-21	2019-20	Variance in %
(17.47)	1,432.39	(101.22%)

Changes in inventories of Finished Goods and WIP for the financial year 2020-21 decreased to ₹ (17.47) Lakh from ₹ 1,432.39 Lakh in 2019-20, majorly due to market demand supply scenario and inventories held at the end of the financial year.

Employee benefits expenses

(₹ in Lakh)

2020-21	2019-20	Variance in %
3,622.59	4,156.46	(12.84%)

Our Company has incurred ₹ 3,622.59 Lakh as employee benefit expenses in 2020-21, as compared to ₹ 4,156.46 Lakh in 2019-20, reflecting a decrease of 12.84%. This was mainly due to decrease in Salaries, wages and bonus by ₹ 494.73 Lakh, contributions to Provident Fund and Other Fund by

₹30.21 Lakh and Staff welfare expenses by ₹ 8.94 Lakh. This was due to salary reduction of various employees on account of COVID-19 pandemic, decrease in the number of employees, etc.

Finance Cost

(₹ in Lakh)

2020-21	2019-20	Variance in %
2,942.66	3,185.29	(7.62%)

Finance costs decreased by ₹ 242.63 Lakh in 2020-21 over 2019-20, representing a slight change of 7.62%, on account of decrease in interest and other borrowing charges of the bank.

Depreciation and Amortization expense

(₹ in Lakh)

2020-21	2019-20	Variance in %
2,636.31	2,634.52	0.07%

Depreciation for the financial year 2020-21 stood at ₹ 2,636.31 Lakh as compared to ₹ 2,634.52 Lakh in 2019-20, showing a marginal increase of 0.07%.

Other Expense

(₹ in Lakh)

2020-21	2019-20	Variance in %
9,612.94	8,310.16	15.68%

The Company's other expenses saw an increase of 15.68%, amounting to ₹ 1,302.79 Lakh, majorly due to increase in manufacturing expenses and certain other administrative, selling and distribution expenses. Further, as a percentage of our total income, the other expenses reduced to 17.84% in Fiscal 2021 from 19.34% in FY 2019-20.

Restated Profit/ (Loss) Before Tax

(₹ in Lakh)

2020-21	2019-20	Variance in %
3,145.26	395.43	695.40%

For the reasons discussed above, our profit before tax in FY 2020-21 was ₹ 3,145.26 Lakh, an increase of 695.40% over our profit before tax in FY 2019-20 of ₹ 395.43 Lakh, which constituted 5.84% and 0.92% of our total income in FY 2020-21 and 2020, respectively.

Provision for Tax

(₹ in Lakh)

Particulars	2020-21	2019-20	Variance in %
Deferred tax liability/(assets)	807.51	273.03	195.76%

Our net tax expense includes deferred tax provision in FY 2020-21 amounting to ₹ 807.51 Lakh, as compared to ₹ 273.03 Lakh in FY 2019-20, reflecting an increase of 195.76%.

Restated Net Profit

(₹ in Lakh)

2020-21	2019-20	Variance in %
2,337.74	122.40	1809.92%

As a result of the foregoing, our profit for the year in FY 2020-21 was ₹ 2,337.74 Lakh, an increase of 1,809.92% over our profit for the year in FY 2019-20 of ₹ 122.40 Lakh. As a percentage of our total revenue, there has been an increase in the profit in FY 2020-21 to 4.34% from 0.28% in FY 2019-20.

COMPARISON OF RESTATED FINANCIALS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020 WITH FINANCIAL YEAR ENDED MARCH 31, 2019

Total Revenue:

(₹ in Lakh)

2019-20	2018-19	Variance in %
42,969.48	32,242.75	33.27%

Our total revenue has increased by 33.27% to ₹ 42,969.48 Lakh for financial year 2019-20 from ₹ 32,242.75 Lakh for financial year 2018-19 bifurcated into revenue from operations and other income.

Revenue from Operations

(₹ in Lakh)

2019-20	2018-19	Variance in %
42,938.62	32,216.59	33.28%

Revenue from Operations has increased by 33.28% to ₹ 42,938.62 Lakh for financial year 2019-20 from ₹ 32,216.59 Lakh for financial year 2018-19. This increase is majorly driven by increase in sale of towel and toweling products and sale of cotton yarn along with increase in export incentives and income from scrap sales.

Other Income

(₹ in Lakh)

2019-20	2018-19	Variance in %
30.86	26.16	17.97%

During the year 2019-20, the other income of our company increased to ₹ 30.86 Lakh from ₹ 26.16 Lakh in 2018-19, representing an increase of 17.97%. This was majorly due to increase in interest income from banks.

Total Expense

(₹ in Lakh)

2019-20	2018-19	Variance in %
42,574.05	32,280.98	31.89%

The total expenditure for the financial year 2019-20 was increased to ₹ 42,574.05 Lakh from ₹ 32,280.98 Lakh in 2018-19, representing a 31.89% increase, owing to increased business activities of the company and factors described below.

Cost of material consumed

(₹ in Lakh)

2019-20	2018-19	Variance in %
22,855.23	19,217.50	18.93%

Cost of material consumed for the financial year 2019-20 increased to ₹ 22,855.23 Lakh from ₹19,217.50 Lakh in 2018-19, representing an increase of 18.93%. This increase is attributable to increase in purchases owing to increased demand of products in domestic / international market and maintenance of stock.

Changes in inventories of Finished Goods and WIP

(₹ in Lakh)

2019-20	2018-19	Variance in %
1,432.39	(1,789.29)	180.05%

Changes in inventories of work-in-progress and finished goods changed from ₹ (1,789.29) Lakh in Fiscal 2019 to ₹ 1,432.39 Lakh in Fiscal 2020. This was primarily due to inventories held at the end of Fiscal 2019.

Employee benefits expenses

(₹ in Lakh)

2019-20	2018-19	Variance in %
4,156.46	3,358.92	23.74%

Our Company has incurred ₹ 4,156.46 Lakh as employee benefit expenses in 2019-20, as compared to ₹ 3,358.92 Lakh in 2018-19, reflecting an increase of 23.74%. The increase was due to new recruitments as well as increments in salary and wage increases. Further, as a percentage of our total income, the cost of employee benefit expenses reduced to 9.67% in Fiscal 2020 from 10.42% in Fiscal 2019.

Finance Cost

(₹ in Lakh)

2019-20	2018-19	Variance in %
3,185.29	3,385.70	(5.92%)

Finance costs decreased by ₹ 200.41 Lakh in 2019-20 over 2018-19, representing a slight change of 5.92%, due to decrease in interest expenses from banks and others. The same was partially offset by increase in other borrowing costs.

Depreciation and Amortization expense

(₹ in Lakh)

2019-20	2018-19	Variance in %
2,634.52	1,733.48	51.98%

Depreciation for the financial year 2019-20 stood at ₹ 2,634.52 Lakh as compared to ₹ 1,733.48 Lakh in 2018-19, showing an increase of 51.98%. This increase was entirely attributable to additions in tangible and intangible assets during the year as compared to FY 2018-19.

Other Expense

(₹ in Lakh)

2019-20	2018-19	Variance in %
8,310.16	6,374.67	30.36%

The company's other expenses saw an increase of 30.36%, amounting to ₹ 1,935.49 Lakh, majorly due to increase in manufacturing expenses and certain other administrative, selling and distribution expenses.

Restated Profit/ (Loss) Before Tax

(₹ in Lakh)

2019-20	2018-19	Variance in %
395.43	(38.23)	(1,134.34%)

The profit before tax saw an increase of ₹ 433.66 Lakh, or 1,134.34%, owing to major increase in sales of the Company.

Provision for Tax

(₹ in Lakh)

Particulars	2019-20	2018-19	Variance in %
Deferred tax (credit)/charge	273.03	12.18	2,141.63%

Our net tax expense includes deferred tax provision in FY 2019-20 amounting to ₹ 273.03 Lakh, as compared to ₹ 12.18 Lakh in FY 2018-19, reflecting an increase of 2,141.63%.

Restated Net Profit

(₹ in Lakh)

2019-20	2018-19	Variance in %
122.40	(50.41)	342.81%

As a result of the foregoing, our profit for the year in FY 2019-20 was ₹ 122.40 Lakh, an increase of 341.81% over our loss for the FY 2018-19 of ₹ 50.41 Lakh.

LIQUIDITY AND CAPITAL RESOURCES

We depend on both internal and external sources of liquidity to provide working capital and to fund capital requirements. We have historically funded our capital expenditures with cash flow from operations and debt financing. We generally enter into long-term borrowings in the form of working capital and term loans from banks and financial institutions. As at September 30, 2021, we had cash and cash equivalents of ₹ 232.29 Lakh.

CASH FLOWS

Our cash is generated by our business operations that is used to fund investments and service our loans and interest to our lending banks. The following table presents our net cash flows for the periods indicated.

(₹ in Lakh)

Particulars	For the period ended September 30, 2021	FY 2020-21	FY 2019-20	FY 2018-19
Net cash generated from / (used in) operating activities	1,804.51	4,232.75	6,969.98	1,658.58
Net cash generated from / (used in) Investing Activities	(1,371.89)	(392.92)	(2,064.58)	945.60
Net cash generated from / (used in) from financing activities	(2,225.35)	(2,161.52)	(4,550.31)	(2,600.52)
Net Increase / (decrease) in Cash & Cash Equivalents	(1,843.97)	1,678.31	355.09	3.66
Cash and cash equivalents at the beginning of the year	2,076.26	397.95	42.86	39.20
Cash and cash equivalents at the end of the year	232.29	2,076.26	397.95	42.86

Net cash flows from operating activities

Net cash generated by operating activities includes funds generated from our operating activities and net cash inflows or outflows from changes in operating assets and liabilities.

For the period ended on September 30, 2021

Our net cash generated from operating activities was ₹ 1,804.51 Lakh for the period ended on September 30, 2021. Our operating profit before working capital changes was ₹ 7,033.49 Lakh for the period ended on September 30, 2021 which was primarily adjusted for increase in Trade receivables by ₹ 4,670.00 Lakh, increase in Inventories by ₹ 1,442.14 Lakh, increase in Other current assets by ₹ 891.26 Lakh, decrease in Other Current Liabilities by ₹ 47.20 Lakh and increase in Other Non-Current Financial Assets by ₹ 2.00 Lakh. This was partially offset by increase in Trade payables by ₹ 1,824.38 Lakh, increase in Provisions (Non-Current Liabilities) by ₹ 16.26 Lakh and increase in Provisions (Current Liabilities) by ₹ 9.45 Lakh. Taxes paid amounted to ₹ 26.47 Lakh.

Financial year 2020-21

Our net cash generated from operating activities was ₹ 4,232.75 Lakh for the Financial Year 2020-21. Our operating profit before working capital changes was ₹ 8,747.69 Lakh for the Financial Year 2020-21 which was primarily adjusted for increase in Trade receivables by ₹ 1,608.82 Lakh, decrease in Trade Payables by ₹ 1,269.22 Lakh, increase in Inventories by ₹ 1,044.40 Lakh, increase in Other current assets by ₹ 599.15 Lakh and increase in Other Current Financial Assets by ₹ 12.69 Lakh. This was partially offset by increase in Provisions (Current Liabilities) by ₹ 20.91 Lakh, increase in Provisions (Non-Current Liabilities) by ₹ 8.37 Lakh and increase in Other Current Liabilities by ₹ 4.32 Lakh. Taxes paid amounted to ₹ 14.26 Lakh.

Financial year 2019-20

Our net cash generated from operating activities was ₹ 6,969.98 Lakh for the Financial Year 2019-20. Our operating profit before working capital changes was ₹ 6,217.23 Lakh for the Financial Year 2019-20 which was primarily adjusted for increase in Trade Payables by ₹ 2,093.02 Lakh, decrease in Inventories by ₹ 1,436.99 Lakh, decrease in Other Non-Current Financial Assets by ₹ 76.18 Lakh, increase in Other Current Liabilities by ₹ 33.11 Lakh, increase in Provisions (Current Liabilities) by ₹ 30.01 Lakh and increase in Provisions (Non-Current Liabilities) by ₹ 7.55 Lakh. This was partially offset by increase in Trade receivables by ₹ 1,596.23 Lakh and increase in Other current assets by ₹ 1,326.70 Lakh. Taxes paid amounted to ₹ 1.18 Lakh.

Financial year 2018-19

Our net cash generated from operating activities was ₹ 1,658.58 Lakh for the Financial Year 2018-19. Our operating profit before working capital changes was ₹ 5,076.63 Lakh for the Financial Year 2018-19 which was primarily adjusted for increase in Trade receivables by ₹ 3,003.63 Lakh, increase in Inventories by ₹ 2,615.11 Lakh and decrease in Other Current Liabilities by ₹ 12.06 Lakh. This was partially offset by decrease in Other Current Assets by ₹ 1,194.16 Lakh, increase in Trade Payables by ₹ 1,025.89 Lakh, increase in Provisions (Current Liabilities) by ₹ 35.21 Lakh increase in Provisions (Non-Current Liabilities) by ₹ 11.96 Lakh and decrease in Other Current Financial Assets by ₹ 5.96 Lakh. Taxes paid amounted to ₹ 60.43 Lakh.

Net cash flows from investing activities

Cash used in investing activities includes payments for property, plant and equipment, proceeds from sale of property, plant and equipments, interest / dividend received and fixed deposit with banks.

For the period ended on September 30, 2021

Net cash used in investing activities was ₹ 1,371.89 Lakh for the period ended on September 30, 2021. This was primarily on account of purchase of property, plant and equipment along with increase in capital work-in-progress and increase in intangible assets of ₹ 1,154.85 Lakh and increase in bank deposits by ₹ 240.73 Lakh. which was partially offset by receipt of interest of ₹ 23.69 Lakh.

Financial year 2020-21

Net cash used in investing activities was ₹ 392.92 Lakh for the financial year 2020-21. This was primarily on account of purchase of property, plant and equipment along with increase in capital work-in-progress and increase in intangible assets of ₹ 283.46 Lakh and increase in bank deposits of ₹ 130.56 Lakh which was partly offset by receipt of interest of ₹ 21.10 Lakh.

Financial year 2019-20

Net cash used in investing activities was ₹ 2,064.58 Lakh for the financial year 2019-20. This was primarily on account of purchase of property, plant and equipment along with increase in capital work-in-progress and increase in intangible assets of ₹ 2,031.17 Lakh and increase in bank deposits by ₹ 64.27 Lakh. It was slightly offset by receipt of interest of ₹ 30.86 Lakh.

Financial year 2018-19

Net cash generated from investing activities was ₹ 945.60 Lakh for the financial year 2018-19. This was primarily on account of maturing of bank deposits of ₹ 887.49 Lakh, proceeds from sale of property, plant and equipments of ₹ 31.95 Lakh and receipt of interest and dividend of ₹ 26.16 Lakh.

Net cash flows from financing activities

Cash generated/ (used) in financing activities includes proceeds/ (repayment) of borrowings (net), share issue expenses on issuance of bonus shares and finance costs paid.

For the period ended on September 30, 2021

Net cash used in financing activities for the period ended on September 30, 2021 was ₹ 2,276.60 Lakh. This was on account of repayment of Non-current Borrowings of ₹ 1,656.46 Lakhs and payment of interest & finance charges of ₹ 1,588.79 Lakh which was offset by receipt of proceeds from current borrowings of ₹ 1,019.91 Lakh.

Financial year 2020-21

Net cash used in financing activities for the financial year 2020-21 was ₹ 2,161.52 Lakh. This was on account of payment of interest & finance charges of ₹ 2,942.66 Lakh and repayment of current Borrowings of ₹ 2573.30 Lakh which was offset by proceeds from non-current borrowings of ₹ 3,354.44 Lakh.

Financial year 2019-20

Net cash used in financing activities for the financial year 2019-20 was ₹ 4,550.31 Lakh. This was on account of payment of interest & finance charges of ₹ 3,185.29 Lakh and repayment of Non-current Borrowings of ₹ 2,810.38 Lakh which was offset by receipt of proceeds from current borrowings of ₹ 1,445.36 Lakh.

Financial year 2018-19

Net cash used in financing activities for the financial year 2018-19 was ₹ 2,600.52 Lakh. This was on account of payment of interest & finance charges of ₹ 3,385.70 Lakh and repayment of Non-current Borrowings of ₹ 563.16 Lakh which was offset by receipt of proceeds from current borrowings of ₹ 1,348.35 Lakh.

FINANCIAL INDEBTEDNESS

As on September 30, 2021, the aggregated outstanding borrowings of our Company amounted to ₹ 52,493.97 Lakh and a brief summary of such borrowings is set forth below:

(₹ in Lakh)

Category of borrowing	Sanctioned amount	O/s Amount as on September 30, 2021*
SECURED		
Fund Based Borrowings		
Term Loans	35,300.00	21,801.21
Cash Credit	7,000.00	6,171.88
Vehicle Loans	23.34	5.63
GECL	5,694.00	5,678.54
Demand Loan (CECF)**	350.00	-
Non-Fund Based Borrowings		
Letter of Credit	1,000.00	846.00
Total (Secured)	49,351.10	34,503.26
UNSECURED		
Others	-	17,990.71

Total (Unsecured)	-	17,990.71
TOTAL BORROWINGS	49,351.10	52,493.97

* As certified by C.N. Somani & Associates, Chartered Accountants, by way of certificate dated December 07, 2021.

**The Covid-19 Emergency Credit Facility has been sanctioned by the bank. However, the same has not been availed by the Company and no charge has been created by the bank on the Company. Thus, the same is not included in the outstanding amount.

For further information on our agreements governing our outstanding indebtedness, see the chapter titled “**Financial Indebtedness**” beginning on page 364 of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, sale / purchase of goods / services, Short Term Borrowing, Account Payable / Receivable, etc. For further details of such related parties under AS-18, see the chapter titled “**Restated Financial Statements**” beginning on page 250 of this Draft Red Herring Prospectus.

AUDITOR’S OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our Statutory Auditor which requires adjustments in Restated Financial Statements as of and for the years ended March 31, 2019, 2020 and 2021.

CAPITAL EXPENDITURE

Our capital expenditures include expenditures on property, plant and equipment. Property, plant and equipment include land, computers, furniture and fixtures, office equipment, plant and machinery, factory Shed / building, electrical installation and vehicles.

The following table sets out the capital expenditure (addition to property, plant and equipment) for the periods indicated:

(₹ in Lakh)

Particulars	For the period ended September 30, 2021	FY 2020-21	FY 2019-20	FY 2018-19
Property, Plant and Equipment				
Land (Dholka)	-	-	-	0.58
Land & Building (Piplej)	-	-	-	-
Office Premise (Mumbai)	10.14	-	0.81	-
Buildings	24.68	55.67	43.37	112.23
Plant and Machinery	1,153.38	74.78	203.34	126.99
Furniture and Fixtures	-	1.11	5.90	27.21
Vehicles	-	-	15.70	55.08
Office Equipments	14.93	15.99	4.15	9.54
Computers	12.96	3.38	2.48	34.71

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2021, our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, were as follows:

(₹ in Lakh)

Particulars	As on September 30, 2021	As on March 31, 2021	As on March 31, 2020	As on March 31, 2019
Contingent Assets:				
Excise rebate receivable - The Company has filed petition against order of CESTAT in Gujarat High Court for excise rebate receivable and the matter is still pending at the reporting date hence not provided in the books of accounts.	76.91	76.91	-	-
Total Contingent Assets	76.91	76.91	-	-
Contingent Liabilities:				
Duty liability under Export Promotion Capital Goods Scheme (EPCG):				
Export Obligation pending against imported capital goods at concessional rate of custom duty under "Export promotion of capital goods scheme".	3,666.18	1,103.38	966.88	-
Custom duty liability in respect of unfulfilled export obligation	611.03	183.90	161.15	-
Guarantee given by bank on behalf of the company				
Guarantee given by bank on behalf of the company to Uttar Gujarat Vij Company Limited as against security deposit for connected load	414.77	432.31	432.31	432.31
Total Contingent Liabilities	4,691.98	1,719.59	1,560.34	432.31

Except as disclosed in the chapter titled "*Restated Financial Statements*" beginning on page 250 of this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND CAPITAL COMMITMENTS

As of September 30, 2021, our outstanding capital commitments, were as follows:

(₹ in Lakh)

Particulars	As on September 30, 2021	As on March 31, 2021	As on March 31, 2020	As on March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	1108.98	625.94	672.44	0.25
Advance paid against such contracts	419.24	76.91	-	-
Remaining outstanding commitment	689.74	14.50	61.00	-

As of September 30, 2021, our contractual obligations, were as follows:

(₹ in Lakh)

Contractual maturities of financial liabilities	Carrying Amount	Contractual Cash Flows				
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	Total
Non-Current Borrowings (Incl. Current Maturities thereof)	45,510.69	5,973.33	6,525.66	15,006.08	18,005.62	45,510.69
Current Borrowings	6,171.88	6,171.88	-	-	-	6,171.88
Trade Payables	5,095.21	5,095.21	-	-	-	5,095.21
Total	56,777.78	17,240.42	6,525.66	15,006.08	18,005.62	56,777.78

For further information on our outstanding capital commitments and contractual obligations, see the chapter titled “**Restated Financial Statements**” beginning on page 250 of this Draft Red Herring Prospectus.

QUALITATIVE DISCLOSURE ABOUT FINANCIAL MARKET RISK

The Company’s activities expose it to a variety of financial risks, including credit risk, market risk and liquidity risk. The Company’s primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company’s risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

The Company’s risk management is governed by policies approved by the board of directors. Company’s board of directors identifies, evaluates and hedges financial risks in close co-operation with the Company’s operating units. The company has policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The board of directors also oversees how management monitors compliance with the company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board of directors is assisted in its oversight role by

internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

1. Market Risks

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt.

2. Commodity Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of terry cotton ingredients, including the raw material components for such terry cotton ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's terry cotton ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

3. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's non-current as well as current borrowings with floating interest rates. Company's treasury department monitors the interest rate movement and manages the interest rate risk based on its policies.

(₹ in Lakh)

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Fixed Rate Borrowings (including current maturities)	17,996.34	17,982.27	17,888.85	15,659.56
Variable Rate Borrowings (including current maturities)	33,651.65	34,313.85	33,627.85	37,224.75
Total	51,647.99	52,296.12	51,516.70	52,884.31

4. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits, and continuously monitoring the creditworthiness of customers to

which the Company grants credit terms in the normal course of business. The history of trade receivables shows a negligible provision for bad and doubtful debts. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments. The company has adopted simplified approach of ECL model for impairment.

- **Trade Receivables:**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company with various activities as mentioned above manages credit risk. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold collateral as security.

- **Financial assets that are neither past due nor impaired**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at each reporting date.

5. **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. Long-term borrowings generally mature between One to Ten years. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities to meet anticipated funding requirements.

The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months which can be rolled over with existing lender. As of September 30, 2021; March 31, 2021; March 31, 2020 and March 31, 2019; the Company had unutilized credit limits from banks of ₹ 18.44 Lakh; ₹ 39.53 Lakh; ₹ 274.72 Lakh and ₹ 1720.08 Lakh respectively.

6. **Foreign Exchange Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign exchange risk arises mainly from following activities:
Foreign currency revenues and expenses (primarily in USD and EURO): A significant portion of

the Company's revenues are in following foreign currencies, while a nominal portion of its costs are in Indian Rupees. Generally, the company has net exposure of foreign currency receivable. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

Company does not use derivative financial instruments for trading or speculative purposes. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

The following table analyses foreign currency risk from non-derivative financial instruments as at each reporting date:

(₹ in Lakh)

Particulars		As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
a) Trade Receivables (Against Export)	USD	85.36	101.18	37.87	54.65
	INR	6,338.42	7,436.42	2,855.04	3,780.52
	EURO	14.28	19.15	16.02	0.20
	INR	1,229.90	1,649.12	1,330.26	15.29
b) Trade Payables (Against import - including capital imports & advances to suppliers) - Negative Balances represent payables while positive balances represent advances.	USD	0.69	-9.67	0.84	-0.55
	INR	51.15	-710.43	63.51	-38.19
	EURO	0.28	0.60	0.11	-
	INR	24.20	51.55	8.99	-
	GBP	0.00	-	-0.00	-
	INR	0.35	-	-0.09	-
	JPY	-	-	0.24	-
	INR	-	-	0.17	-
Net Statement of Financial Exposure (a + b) - Negative Balances represent payables while positive balances represent receivables / advances.	USD	86.05	91.51	38.71	54.10
	INR	6,389.57	6,725.99	2,918.55	3,742.33
	EURO	14.56	19.75	16.13	0.20
	INR	1,254.10	1,700.67	1,339.25	15.29
	GBP	-	-	-	-
	INR	0.35	-	-0.09	-
	JPY	-	-	0.24	-
	INR	-	-	0.17	-

7. Effect of Inflation

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs.

- **Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

- **Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Indian rules and regulations as well as the overall growth of Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

Other than as described in the section titled “**Risk Factors**” beginning on page 38 of this Draft Red Herring Prospectus to our knowledge there are no significant economic changes that materially affects or are likely to affect income of our Company from continuing operations.

- **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Factors that may affect our Results of Operations**” at page 323 of this Draft Red Herring Prospectus and the uncertainties described in the section titled “**Risk Factors**” beginning on page 38 of this Draft Red Herring Prospectus. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

- **Future changes in relationship between costs and revenues**

Other than as described in the section titled “**Risk Factors**” beginning on page 38 of this Draft Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue. Our Company’s future costs and revenues will be determined by demand/ supply situation, government policies, global market situation and prices of our material.

- **The extent to which material increases in net sales or revenue are due to better product quality and increase in number of customers**

Increase in revenue is by and large linked to increases in volume of business activity by the Company. Changes in revenue in the last three financial years are as described in the chapter titled “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 321 of this Draft Red Herring Prospectus.

- **Status of any publicly announced new products / projects or business segments**

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Red Herring Prospectus. For details of our new projects or business segments, see the chapter titled “**Our Business**” beginning on page 155 of this Draft Red Herring Prospectus.

- **Significant Developments after March 31, 2021 that may affect our results of operations**

Except as set out in this Draft Red Herring Prospectus, in the opinion of the Board of Directors of our Company and to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

- **The extent to which the business is seasonal / cyclical**

The nature of our business is not seasonal or cyclical.

- **Any significant dependence on a single or few suppliers or customers**

We majorly procure our raw materials and sell our products to various organisations / wholesalers. The following is the breakup of top five and top ten customers and suppliers of our Company as on September 30, 2021 are as below:

(₹ in Lakh)

Particulars	Customers		Suppliers	
	For the period ended September 30, 2021	For the year ended March 31, 2021	For the period ended September 30, 2021	For the year ended March 31, 2021
Top 5 (%)	44.91	34.15	68.99	42.09
Top 10 (%)	62.34	49.91	86.16	57.53

- **Competitive Conditions**

We face competition from existing and potential organized and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in the chapter titled “*Our Business*” beginning on page 155 of this Draft Red Herring Prospectus.

For further information on financial risk management by the company, see the chapter titled “*Restated Financial Statements*” beginning on page 250 of this Draft Red Herring Prospectus.

CHANGES IN ACCOUNTING POLICIES IN LAST THREE YEARS

The financial statements for the period ended on September 30, 2021 prepared in accordance with Ind As 34 were the first financial statements of our Company that have been prepared in accordance with Ind AS. Other than as required for the preparation of our Restated Financial Statements under Ind AS from the Indian GAAP financials, there have been no changes in our accounting policies during period ended on September 30, 2021 and FY 2020-21, 2019-20 and 2018-19.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2021, on the basis of our Restated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 38, 250 and 321, respectively of this Draft Red Herring Prospectus.

(₹ in lakh)

Particulars	Pre-Issue as at September 30, 2021	As adjusted for the proposed Issue*
Shareholders' Funds		
Equity Share Capital	4576.24	[●]
Other equity	10281.11	[●]
Total Shareholders' Funds (A)	14857.35	[●]
Debt		
Current borrowings	6171.88	[●]
Non-current borrowings (including current maturities)	45510.70	[●]
Total Debt (B)	51682.58	[●]
Non-current borrowings (including current maturities) /equity ratio	3.06	[●]
Total debt/equity ratio	3.48	[●]

These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.

*Post-Issue Capitalisation will be determined after finalisation of Issue Price.

Notes:

- i) The above has been computed on the basis of the Restated Ind AS Financial Information – Annexure I
- ii) The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence, the same have not been provided in the above statement.

FINANCIAL INDEBTEDNESS

Our Company has availed loans and financing facilities in the ordinary course of our business for meeting our working capital and other business requirements. Our Promoter Directors have also provided personal guarantees in relation to these loans as and when required.

The Company has also entered into a consortium arrangement with Punjab National Bank, United Bank of India, State Bank of India, Central Bank of India, Canara Bank and Bank of Baroda for availing various fund based and non-fund-based facilities with Punjab National Bank is acting as a lead banker.

For details of the borrowing powers of our Board, see the chapter titled “**Our Management**” beginning on page 209 of this Draft Red Herring Prospectus.

We have obtained the necessary consents required under the relevant financing documentation from the relevant lenders for undertaking activities in relation to the Issue, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

The Company has no subsidiary as on the date of this Draft Red Herring Prospectus.

The details of the indebtedness of the Company as on September 30, 2021 is provided below:

(₹ in lakh)

S.No.	Category of borrowing	Sanctioned amount	Outstanding amount as on September 30, 2021
(A)	Secured		
1.	Fund Based Borrowings		
(i)	Term Loans		
	Punjab National Bank	9500.00	5837.38
	Punjab National Bank (<i>Earlier United Bank of India</i>)	4700.00	2860.51
	State Bank of India	4700.00	2912.26
	Central Bank of India	4700.00	2837.99
	Canara Bank (<i>Earlier Syndicate Bank</i>)	7000.00	4400.05
	Bank of Baroda (<i>Earlier Vijaya Bank</i>)	4700.00	2953.02
(ii)	Cash Credit		
	Punjab National Bank	7000.00	6171.88
(iii)	Vehicle Loans		
	HDFC Bolero Car Loan HDFC	7.10	1.00
	HDFC Light Commercial Vehicle Loan (Eicher Vehicle)	16.24	4.63
(iv)	GECL		
	GECL 2.0 (Canara Bank)	1028.00	1030.32
	CGECL 2.0 (Central Bank of India)	671.00	671.00

S.No.	Category of borrowing	Sanctioned amount	Outstanding amount as on September 30, 2021
	GECL 2.00 (Punjab National Bank)	3275.00	3252.52
	GECL 2.0 (State Bank of India)	720.00	724.70
(v)	Demand Loan		
	Covid-19 Emergency Credit Facility (CECF) (Punjab National Bank) *	350.00	-
	Sub Total	48,351.10	33,657.26
2.	Non-Fund Based		
(i)	Letter of Credit		
	Punjab National Bank	1000.00	846.00
	Sub Total	1,000.00	846.00
	Total (A)	49,351.10	34,503.26
(B)	Unsecured Loans		
	Other Parties	-	17990.71
	Total borrowings (A + B)	49,351.10	52,493.97

*The Covid-19 Emergency Credit Facility has been sanctioned by the bank. However, the same has not been availed by the Company and no charge has been created by the bank on the Company. Thus, the same is not included in the outstanding amount.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

1. **Interest:** In terms of the facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different facilities. The interest rates for the loans availed by our Company typically range from 7.20% per annum to 12.60% per annum. This includes term loans, working capital facilities and Covid loans.
2. **Penal Interest:** The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, breach of non-payment of instalments, our Company becoming bankrupt or committing any act of insolvency, breaching any provisions as set forth in the loan documentation entered into with the lenders or default in the performance of the obligations set forth in such loan documentation, *etc.* Further, the penal interest payable on the facilities availed by us is typically 1% to 3% per annum.

3. **Pre-payment penalty:** The terms of facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding loan amount in terms of the norms of such lenders, subject to such prepayment penalties as laid down in the facility agreements. The prepayment premium for the facilities availed by us, where specified, is typically from Nil to 2% per annum of the sanctioned amount.
4. **Validity/Tenor:** The tenor of the term loan facility availed by our Company is typically for six (6) to seven (7) years. The working capital facilities availed by our Company are available for a period of one (1) year. The tenor of the vehicle loans availed by us range typically for a tenor from three (3) to five (5) years. There is a moratorium period of 12 months in the Covid loans.
5. **Security:** In terms of our term loan and working capital facilities, we are required to *inter alia*:
 - a) Mortgage charge of certain immovable properties of our Company;
 - b) Hypothecation charge on all current assets present and future and fixed assets of our Company;
 - c) Charge on all bank accounts including without limitation the escrow account and all other accounts required to be created; and
 - d) Furnish irrevocable and unconditional personal guarantees in the form prescribed by the lead bank from our promoter directors i.e., Shri Vedprakash Devkinandan Chiripal and Shri Brijmohan Devkinandan Chiripal.
6. **Repayment:** The working capital facilities availed by us are typically repayable on demand. The term loan and vehicle loans are typically repayable in structured instalments. Unsecured loans are also repayable on demand.
7. **Key Covenants:** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, inter alia the following:
 - (a) Implement any scheme of expansion / modernization / diversification, except which are approved by our lender bank.
 - (b) Formulate any scheme of merger / acquisition / amalgamation / reconstitution.
 - (c) Any change in the management set-up/ capital structure of the Company.
 - (d) Enter in to borrowing either secured or unsecured with any other bank / financial institution / corporate body.
 - (e) Invest / deposit / lend funds to group company & companies /directors / family members / other corporate bodies / firms / persons.
 - (f) Create any further charge, lien or encumbrances over the assets charged to the lender bank in favour of any other bank, financial institution, non-banking financial company, firm, company or person or otherwise dispose-off any of such fixed assets.
 - (g) Undertake guarantee obligation on behalf of any other borrower, group firms / companies.
 - (h) Pay commission / brokerage / fees etc. to guarantor / or any other person for guaranteeing the facilities sanctioned to the Company.
 - (i) Withdraw unsecured loans during the currency of bank finance.
 - (j) Effect any change in the borrower's capital structure where the shareholding of the existing promoter(s) gets diluted below current level or 51% of the controlling stake (whichever is lower), without prior permission of the bank – for which 60 days' prior notice shall be required.

- (k) Avail credit facilities/loan from outside the bank/consortium arrangement without their knowledge and permission.

8. **Events of default:** Borrowing arrangements entered into by us, contain standard events of default, including:

- (a) Any installment of principal amount or interest on the loan remaining unpaid on their respective due dates.
- (b) The company committing any breach or default in the performance or observance of the material covenants of the facility agreements/documents.
- (c) The borrower or the counterparties committing any material breach of the project agreements.
- (d) A representation, warranty or statement made in connection with any financing agreements/documents or project agreements or in any document delivered by or on behalf of the borrower is found to be incorrect.
- (e) Execution or distress being enforced or levied against the whole or any part of the company's property and any order relating thereto is not discharged or stayed within a period of 90 days from the date of enforcement or levy.
- (f) The company ceasing or threatening to cease to carry on its business.
- (g) A receiver being appointed in respect of the whole or any part of the property of the company and such appointment is not stayed, quashed or dismissed within a period of ninety (90) days.
- (h) The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to lenders materially and such event or circumstance continues to have an effect for a period in excess of thirty (30) days.
- (i) The occurrence of any event or circumstance which would materially affect the capacity of the borrower to repay the facility.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); 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 Promoter in the last five Financial Years including any outstanding action.*

For the purposes of (iv) above in terms of Materiality Policy adopted by a resolution of our Board dated August 14, 2021, pending litigation would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 5,00,000/-.

Our Company has no subsidiary as on the date of this Draft Red Herring Prospectus.

For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Company from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties or the Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

Litigation against our Company

A. *Outstanding criminal proceedings*

NIL

B. *Actions initiated by regulatory or statutory authorities*

NIL

C. *Outstanding material civil litigation*

- (i) Mukesh Bajranglal Bansal vs. Nandan Terry Private Limited and Others (Civil suit No. 284/2018) and Mukesh Bajranglal Bansal vs. Nandan Terry Private Limited (Appeal from Order No. 226 of 2019)**

Our Company had executed an agreement to sale dated July 16, 2016 regarding an immovable property with the brothers of Mukesh Bajranglal Bansal (plaintiff). Mukesh Bajranglal Bansal

(plaintiff) filed a suit for declaration and permanent injunction in the capacity of coparcener of the joint family from the pedigree of 'Bajranglal Jugalkishor Bansal' in the above matter before the City Civil Court Ahmedabad claiming permanent injunction to secure his right in the suit properties. Temporary injunction *vide* order dated February 12, 2019 was issued by Hon'ble City Civil Court. An appeal has been filed against the said order before Hon'ble High Court of Gujarat titled Mukesh Bajranglal Bansal vs. Nandan Terry Private Limited (Appeal from Order No. 226 of 2019). Our Company has also been impleaded as a party in the said appeal. The matter is currently pending adjudication.

(ii) Premchand Hiralal Sharma vs. Manager, Nandan Terry Pvt. Ltd. [PWAPP LC/201/2020]

A case has been filed against the manager of our Company by Premchand Hiralal Sharma bearing Case No. PWAPP LC/201/2020 under Section 15(2) of Payment of Wages Act, 1936 before the Labour Court at Ahmedabad. The workman filed the case for the non-payment of salary (monthly salary being ₹ 13,500/-) for the period from 01.05.2020 to 12.06.2020 and other benefits such as paid leaves, bonus, double salary for overtime as per Payment of Wages Act, 1936 (Act). The workman further claims that he has completed more than a year working as a helper in hydro department of our Company and is entitled to receive all the benefits as per the Act. The matter is currently pending adjudication.

Litigation by our Company

A. *Outstanding criminal proceedings*

NIL

B. *Outstanding material civil litigation*

NIL

LITIGATION INVOLVING OUR PROMOTER

Litigation against our Promoters

A. *Outstanding criminal proceedings*

(i) Vedprakash Devkinandan Chiripal & Ors. vs. State of Gujarat (CR.MA 17749/2017)

A raid was conducted by the officials of Dakshin Gujarat Vij Company Limited (DGVCL) on 17.01.2013 on the premise of Shanti Asiatic School run by Milestone Education Trust (Trust) in which our promoter, Vedprakash Devkinandan Chiripal is a trustee and it was alleged that the transformer installed by the DGVCL on the premises was subjected to unauthorized use/theft of electricity. An FIR was lodged for offences punishable under Section 135(1)A & 150 of Electricity Act, 2003. A petition has been filed by our promoter, Vedprakash Devkinandan Chiripal under section 482 of Criminal Procedure Code, 1973 for quashing the said F.I.R. before Hon'ble High Court of Gujarat. The matter is currently pending adjudication.

(ii) Gujarat Government vs. Brijmohan Devkinandan Chiripal, and Others (CC/4962/2017)

An FIR has been lodged in Bopal Police Station by Shri Atal Sao, one of the students of BBA course from Shanti Business School against administrators/ officials of the said School (Brijmohan Chiripal, VedPrakash Chiripal and others) under section 406, 420 and 120B of Indian Penal Code, 1860 for cheating and conspiracy by awarding them bogus BBA degrees by Shanti Business School run by Chiripal Charitable Trust claiming it to be affiliated with CV Raman University. Five of the nine officials of the school had filed for anticipatory bail before the Hon'ble Gujarat High Court which was granted by the Hon'ble Court. The matter is under investigation.

(iii) Bhaveshbhai Sudhirbhai Nimavat vs. Arunoday Mills Limited and Others. (1/2016/CRCMP LC - Criminal Complaint)

A case has been filed against Shanti Exports Private Limited and others (including our promoter, Brijmohan D Chiripal), by Bhaveshbhai Sudhirbhai Nimavat bearing Case No. CRCMP LC/1/2016 under Section 46(5), 106 and 109 of Mumbai Industrial Relations Act, 1946, before the Labour Court at Rajkot regarding non-execution of the order passed as on 10.05.2016 in case No. TAPP LC/1/1999 wherein the compensation of ₹ 87,392/- was awarded to Bhaveshbhai Nimavat. The matter is currently pending.

B. *Actions initiated by regulatory or statutory authorities*

The Registrar of Companies vs. M/s. Chiripal Industries Limited, and Others (CC/201118/2016)

The Registrar of Companies (ROC) has filed a case against, our Group Company, Chiripal Industries Limited along with officers in default (which includes our promoter, Vedprakash Devkinandan Chiripal) in reference to a letter dated 08.01.2016 issued by Ministry of Corporate Affairs (MCA) for non-compliance of section 233B of Companies Act, 1956 which mandates company to maintain and file the Cost Audit Report with the Central Government. The matter relates to financial year 2011- 2012. The matter is currently pending for adjudication.

C. *Outstanding material civil litigation*

(i) Legal Heirs of deceased Devgar Swaroopgar and Legal Heirs of deceased Manigar Devgar and Legal Heirs of deceased Umiyaben w/o deceased Manigar Devgar and Others vs. Vedprakash Devkinandan, Brijmohan Devkinandan and Others (R/FA/433/2021)

An appeal has been filed before Hon'ble High Court of Gujarat at Ahmedabad by the Appellants for the purpose to quash and set aside Special Civil Suit No. 269/ 2010 which was filed for declaration and permanent prohibitory injunction as well as possession averring therein that Appellants and Defendant 1 to 5 have equal ownership rights in an ancestral land having survey no. 225 located in the village boundaries of Bodakdev, sub-district of Ahmedabad which was transferred by Defendants No. 2 to 5 to Defendant No. 6 to 11 (which includes our promoters, Vedprakash Devkinandan and Brijmohan Devkinandan) through registered sale deed. The said Civil Suit No. 269/ 2010 was dismissed vide judgment and decree dated 31.12.2020 and the current appeal is pending for adjudication.

- (ii) **Madhuben d/o deceased Atmagar Swaroopgar and w/o Amrutbharti Rambharti Swaroopgar and Others vs. Vedprakash Devkinandan, Brijmohan Devkinandan and Others (R/FA/447/2021)**

An appeal is filed before Hon'ble High Court of Gujarat at Ahmedabad by the Appellants for the purpose to quash and set aside Special Civil Suit No. 710/ 2010 which was filed for declaration and permanent prohibitory injunction as well as possession averring therein that Appellants and Defendant 1 to 5 have equal ownership rights in an ancestral land having survey no. 225 located in the village boundaries of Bodakdev, sub-district of Ahmedabad. The Defendants No. 10 to 13 and 16 (which includes our promoters, Vedprakash Devkinandan and Brijmohan Devkinandan) alleged that the plaint is barred by the law of limitation as the suit bearing Special Civil Suit No. 710 of 2010 has instituted after 15 years from the date of first sales deed. The current appeal is pending for adjudication.

- (iii) **Pradipbhai Govindbhai Patel vs. Vedprakash Devkinandan Chiripal (R/CS/234/2016)**

The plaintiff has filed a suit and restraining injunction application against our promoter, Vedprakash Chiripal before Hon'ble Civil Court relating to immovable property situated at Survey No.267, Village Saijpur-Gopalpur, Ahmedabad. The matter is currently pending for adjudication.

Litigation by our Promoters

A. *Outstanding criminal proceedings*

NIL

B. *Outstanding material civil litigation*

- (i) **Chiripal Charitable Trust through its Authorised signatory Mr. Brijmohan Devkinandan Chiripal and Another vs. Fee Revision Committee and Another (14720/2019)**

An application has been filed by Shanti Asiatic School managed by Chiripal Charitable Trust in the High Court of Gujarat against Fee Revision Committee (FRC) challenging the fee structure set by the FRC. Hon'ble High court has granted stay against refund of school fees vide dated October 07, 2019. The matter is pending for adjudication.

- (ii) **Shree Pravin R. Acharya – POA of Vedprakash Devkinandan Chiripal himself and Karta of HUF vs. Sureshbhai Nanalal Patel. (Special Civil Suit 166/2016)**

A case has been filed before the Hon'ble Civil Court by our Promoter, Vedprakash and his relative, Jyotiprakash Chiripal (Plaintiffs) alleging illegal sale of the disputed property for which plaintiffs have entered into a registered agreement to sale. The Hon'ble Court have restrained the defendants from taking possession of the suit land from plaintiffs without following due process of law. The matter is currently pending for adjudication.

- (iii) **Delhi Public School Bharuch Managed by Sanskriti Society for Educational Development Trust through Secretary Smt. Gayatri Prakash and Others vs. State of Gujarat and Others (SLP(C) No. 000463 - 000465/2018)**

Shanti Asiatic School managed by Milestone Educom Trust, through its Trustee Brijmohan Chiripal and Others challenged the constitutionality Gujarat Self-Financed Schools (Regulation of Fees) Act, 2017 and the Rules framed thereunder before the High Court of Gujarat bearing Case No. 9996/2017. The Gujarat High Court passed an order of disposal. An appeal has been filed against Shanti Asiatic School managed by Milestone Educom Trust, through its Trustee Brijmohan Chiripal and Others bearing Case No. SLP(C) No. 000463 - 000465/2018 before the Supreme Court against the Gujarat High Court decision. The matter is currently pending.

LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)

Litigation against our Director (other than Promoters)

A. *Outstanding criminal proceedings*

NIL

B. *Actions initiated by regulatory or statutory authorities*

NIL

C. *Outstanding material civil litigation*

NIL

Litigation by our Director (other than Promoters)

A. *Outstanding criminal proceedings*

NIL

B. *Outstanding material civil litigation*

NIL

OUTSTANDING LITIGATION INVOLVING OUR GROUP COMPANIES WHICH HAS A MATERIAL IMPACT ON OUR COMPANY

Vishal Fabrics Limited

- (i) **ESIC vs. Vishal Fabrics Pvt Ltd and Another (CC/16018/2018)**

A criminal case has been filed by the Employees' State Insurance Corporation against Vishal Fabrics Private Limited under Section 85 of the Employees' State Insurance Act, 1948 before Labour Court, Ahmedabad. The matter is currently pending.

Nandan Denim Limited

(i) Tiger Steel Engineering (India) Pvt Ltd vs. Nandan Denim Ltd [CP (IB) 355 of 2019]

An application has been filed for initiation of Corporate Insolvency Resolution Process by Tiger Steel Engineering (India) Pvt. Ltd. (“**Operational Creditor**”) against Nandan Denim Ltd under Section 8 and 9 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, Ahmedabad Bench due to non-payment of the debt for the sum of ₹ 15,320,027/- with regards to purchase order by the Nandan Denim Ltd for supply of steel structures/ pre-engineering buildings for their factories from Operational Creditor. The matter is currently pending for adjudication.

(ii) The State of Gujarat vs. Nandan Denim Ltd and Another (CC/410/2020)

A criminal case has been filed by the State of Gujarat against Nandan Denim Ltd. under Section 28 of the Payment of Bonus Act, 1965 before Labour Court, Ahmedabad. The matter is currently pending.

(iii) The State of Gujarat vs. Nandan Denim Ltd and Another (CC/313/2020)

A criminal case has been filed by the State of Gujarat against Nandan Denim Ltd. under Section 22 of the Minimum Wages Act, 1948 before Labour Court, Ahmedabad. The matter is currently pending.

(iv) The State of Gujarat vs. Nandan Denim Ltd and Another (CC/289/2020)

A criminal case has been filed by the State of Gujarat against Nandan Denim Ltd. under Section 24 of the Contract Labour (Regulation and Abolition) Act, 1970 before Labour Court, Ahmedabad. The matter is currently pending.

(v) The State of Gujarat vs. Nandan Denim Ltd and Another (CC/217/2021)

A criminal case has been filed by the State of Gujarat against Nandan Denim Ltd. under Section 4 of the Payment of Bonus Act, 1965 before Labour Court, Ahmedabad. The matter is currently pending.

(vi) Nimar Roadways, Through Prop. Vasant Bhai Khona Versus Nandan Denim Ltd. (UN CR - Unregistered-Criminal 4389/2019)

A case has been filed by Nimar Roadways against Nandan Denim Limited bearing Case No. UN CR/4389/2019 under Section 294, 323, 506, 406, 420, 120-B, 34, 166, 166A of Indian Penal Code, 1860 before the District and Sessions Court, Indore for harassing the officers and using force for non-payment of the outstanding amount of ₹ 8,18,000 against the transportation of cotton bales by Nimar Roadways. The Hon’ble Court passed an order dated 04.12.2019 which nullified all charges against Nandan Denim except a case under Section 323 against the authorized agent of Nandan Denim. An appeal was filed by Nimar Roadways bearing case No. CRR/718/2019, for setting aside the order passed as on 04.12.2019, wherein the court dismissed the appeal and confirmed the order passed by the Hon’ble District and Sessions Court. The present matter is currently pending.

(vii) Hargovind Mathurbhai Patel Vs. State of Gujarat (R/Criminal Misc. Application No. 5801 of 2020)

An FIR has been lodged in Narol Police Station, Ahmedabad under section 304 and 114 of IPC against Nandan Denim Limited, and its owners Jyotibhai Chiripal and Dipakbhai Chiripal along with other personnel held responsible in this case wherein a fire broke out on the evening of 08/02/2020 in the production unit of the company resulting in the death of 7 workers due to lack of safety measures in the factory by Nandan Denim Limited. Hargovind Mathurbhai Patel, an employee of Nandan Denim Limited filed criminal misc. application for quashing and set aside FIR/Order N. 5801 of 2020 against State of Gujarat and T K Dev Murari. The matter is pending before Hon'ble High Court of Gujarat for adjudication.

Chiripal Industries Limited

(i) The Registrar of Companies vs. M/s. Chiripal Industries Limited, Vedprakash Devkinandan Chiripal and Others (CC/201118/2016)

For further details, see "*Litigation Involving Our Promoter*" on page 369 of this Draft Red Herring Prospectus.

Shanti Exports Private Limited

(i) Bhaveshbhai Sudhirbhai Nimavat vs. Messrs Shanti Exports Private Limited CRCMP LC/1/2016

For further details, see "*Litigation Involving Our Promoter*" on page 369 of this Draft Red Herring Prospectus.

TAX PROCEEDINGS

Outstanding tax proceedings involving our Company

A. Direct Tax Proceedings

S. No.	AY	Forum	Citation/ Reference	Issue/s	Addition in Income (₹)	Demand Involved (₹)
1.	2017-18	Assessment proceedings u/s 143(3)	ITBA/AST/S/156/2019-20/1021288759(1)	Returned income accepted as the assessed income. Interest u/s 234 A, B, C charged.	-	8/-
2.	2018-19	Adjustment u/s 143(1)(a)	CPC/1819/A6/1901452150 dated 19.04.2019	Partial disallowance of Loss to be Carried Forward	3,30,592/-	-
3.	2019-20	Adjustment u/s 143(1)(a)	CPC/1920/A6/2000081762 dated 20.05.2020	Partial disallowance of Loss to be Carried Forward	2,45,653/-	-

S. No.	AY	Forum	Citation/ Reference	Issue/s	Addition in Income (₹)	Demand Involved (₹)
4.	2020-21	Adjustment u/s 143(1)(a)	CPC/2021/A6/1793 91618 dated 25.11.2021	Partial disallowance of Loss to be Carried Forward	14,21,717/-	-
5.	-	TDS defaults	TRACES Portal	TDS defaults in various assessment years	-	2,51,530/-

B. Indirect Tax Proceedings

S.No.	Period	Forum	Citation	Issue	Amount Involved (₹)
1.	November 2016 to June 2017	High Court of Gujarat	Nandan Terry Pvt. Ltd. vs. Union of India [R/SCA/1902/2021]	Rebate of excise duty on export of goods after claiming the Drawback benefit.	76,90,505/-

Outstanding tax proceedings involving our Promoters

A. Direct Tax Proceedings

S. No.	AY	Forum	Citation/ Reference	Issue	Proposed Addition in Income (₹)	Demand Involved (₹)
<u>Brijmohan D Chiripal</u>						
1.	2020-21	Adjustment u/s 143(1)(a)	-	Interest on Delay Payment of Advance tax	-	3,315/-
<u>Vedprakash Chiripal</u>						
2.	2017-18	Commissioner of Income-tax (Appeals)	CIT(A), Ahmedabad-1/10229/2019-20	Appeal filed in respect of 2 grounds of addition: Addition of Capital gain u/s 45 Disallowance of interest expense u/s 57	-	2,18,14,070/-
3.	2017-18	Penalty proceedings	ITBA/PNL/S/270A/2019-20/1020923764(1)	Notice under section 274 read with section 270A related to under reporting of income.	-	Not determinable

S. No.	AY	Forum	Citation/ Reference	Issue	Proposed Addition in Income (₹)	Demand Involved (₹)
4.	2020-21	Adjustment u/d 143(1)(a)	CPC/2021/A 2/13352063 8 dated 06.01.2021	Interest on Delay Payment of Advance tax	-	1,150/-

B. Indirect Tax Proceedings

NIL

Outstanding tax proceedings involving our directors (other than Promoters)

A. Direct Tax Proceedings

NIL

B. Indirect Tax Proceedings

NIL

Outstanding tax proceedings involving our Group companies which has a material impact on our Company

A. Direct Tax Proceedings

NIL

B. Indirect Tax Proceedings

NIL

POTENTIAL LITIGATION

Assessments have been opened under the Income-tax Act, 1961 for the assessment years 2017-18 and 2018-19 in case of Nandan Denim Limited, our Group Company. Main issue dealt by the Assessing officer is regarding the arm's length price of the specified domestic transactions entered by Nandan Denim Limited with its associated enterprises one of which is our Company. The alleged transaction is regarding the supply of power to its associated enterprises. For reference, in AY 2018-19, out of total sale of power of 15,09,74,018 units, 4679256 units transferred belongs to our Company. Further, total addition in respect of the same amounted to Rs. 43,93,34,392/- and for AY 2017-18, total sale of power is 14,81,41,026 units and total addition amounts to Rs. 51,40,49,367/-. As the litigation issue also involves our Company, there might be future litigation happening and raising of demand against us in future.

OUTSTANDING DUES TO CREDITORS

In accordance with our Company's materiality policy, creditors to whom an amount exceeding ₹ 5 Lakh were considered 'material' creditors.

Based on the above, as on September 30, 2021, there are 74 material creditors to whom our Company owes an aggregate amount of ₹ 4880.01 Lakh.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as on September 30, 2021 by our Company, are set out below*:

(₹ in Lakh)

S. No	Particular	Number of Creditors	Balance as on September 30, 2021
1.	Total Outstanding dues to Micro, Small & Medium Enterprises	-	-
2.	Total Outstanding dues to creditors other than Micro, Small & Medium Enterprises	674	5,095.21
Total		674	5,095.21

*As per certified by our Statutory Auditor M/s C. N. Somani & Associates, Chartered Accountants by way of their certificate dated December 07, 2021.

For details of outstanding dues to the material creditors as on March 31, 2021, (along with the names and amounts involved for each such Material Creditor) see [http://nandanterry.com/images/newsletters/Material%20Creditors_30.09.2021%20\(1\).pdf](http://nandanterry.com/images/newsletters/Material%20Creditors_30.09.2021%20(1).pdf).

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website [http://nandanterry.com/images/newsletters/Material%20Creditors_30.09.2021%20\(1\).pdf](http://nandanterry.com/images/newsletters/Material%20Creditors_30.09.2021%20(1).pdf) would be doing so at their own risk.

MATERIAL DEVELOPMENTS

Except as stated in the chapter titled "**Management's Discussion and Analysis of Financial Condition and Results of Operation**" beginning on page 321 of this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 (Twelve) months.

GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary consents, licenses, permissions, registrations, and approvals from the Government of India, respective state governments, various governmental agencies and other statutory and/or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals, licenses and permissions required to operate our present business activities, including such material approvals, licenses, and permissions as may be necessary to set up and operate our manufacturing facilities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see chapters titled “**Risk Factors**” and “**Key Regulations and Policies**” beginning on pages 38 and 191, respectively of this Draft Red Herring Prospectus.*

Our Company has no Subsidiary as on the date of this Draft Red Herring Prospectus.

*Various licenses/ approvals/ permissions are in the name of Nandan Terry Private Limited. The Company will apply for transfer of same to the name of Nandan Terry Limited in due course. For details, see “**Risk Factors – Some of the approvals are required to be updated consequent to the change in the name of our Company**” on page 48 of this Draft Red Herring Prospectus.*

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities.

The approvals required to be obtained by us include the following:

APPROVALS IN RELATION TO THE ISSUE

For details, see “**Other Regulatory and Statutory Disclosures - Authority for the Issue**” on page 389 of this Draft Red Herring Prospectus.

INCORPORATION DETAILS OF OUR COMPANY

- (a) Certificate of incorporation dated January 27, 2015, issued by the RoC to our Company in our former name, being Nandan Terry Private Limited.
- (b) Fresh certificate of incorporation dated August 12, 2021 issued by the RoC to our Company, consequent upon change of name on conversion to a public company in the name of Nandan Terry Limited.
- (c) Our Company’s Corporate Identity Number (CIN) is U17291MH2015PLC261384.
- (d) Our Company’s International Securities Identification Number (ISIN) is INE0J6M01011.

APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS
(a) Environmental Approvals

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No. / Reference No. / License No.	Date of Issue / Renewal	Date of Expiry
1.	Consent to Establish (CTE) for setting up of an industrial plant/activities under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008)	Gujarat Pollution Control Board	CTE No.: 82483 (Dholi Unit I)	November 24, 2016	September 29, 2023
2.			CTE No: 98683 (Dholi Unit II)	February 2, 2019	December 13, 2025
3.			CTE-74947 read with amendment letter dated November 27, 2017 (Dholi Unit III)	January 01, 2016; November 27, 2017 (Amendment)	October 05, 2024
4.			CTE-85526 (Piplej Unit)	October 10, 2017	January 08, 2024
5.	Consent to Commence Operations of an industrial plant/activities (under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 and Environment Protection Act, 1986) for the purpose of Spinning and weaving of cotton fabrics	Gujrat Pollution Control Board	AWH-98406 (Dholi Unit I)	December 31, 2018	December 04, 2025
6.			License No.: WH-84243 (Dholi Unit III)	March 17, 2017; November 27, 2017 (Amendment)	January 19, 2022
7.	Boiler Use Certificate for unit situated at Dholi Unit III (under Boilers Act, No. V	Gujrat Boiler Inspection Department	GT-9097	December 24, 2020	December 23, 2021

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No. / Reference No. / License No.	Date of Issue / Renewal	Date of Expiry
	(Amended 2007) of 1923				
8.	Certificate of Verification	Officer of the Controller, Legal Metrology, Gujarat State	Certificate No: 2069926/AHD/2021/01 (Dholi Unit I)	September 02, 2021	September 02, 2022
9.			Certificate No: 2060688/AHD/2021/01 (Dholi Unit III)	September 02, 2021	September 02, 2022
10.			Certificate No: 1869046/AHD/2021/01 (Piplej Unit)	June 18, 2021	June 18, 2022
11.	NOC for Ground Water Extraction for Piplej Unit.	Central Ground Water Authority	CGWA/NOC/IND/ORI G/2021/13006	February 03, 2021	February 02, 2024

(b) Registrations under employment laws

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Factories License (under Gujarat Factories Rules, 1963 formed under the Factories Act, 1948)	Directorate of Industrial Safety & Health, Gujarat State	Registration No. 8148/13111/2017 License No. 32083 (Dholi Unit I)	August 07, 2020 (valid from October 17, 2017)	December 31, 2022
2.			Registration No. 10544/17121/2020 Licence No.: 41881 (Dholi Unit II)	August 24, 2020 (valid from June 30, 2020)	Dec 31, 2021
3.			Registration No. 6870/13999/2016 License No. 27019 (Dholi Unit III)	August 07, 2020 (valid from June 16, 2016)	December 31, 2021
4.			Registration No. 8149/13139/2017	August 07, 2020 (valid	December 31, 2021

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
			License No. 32086 (Piplej Unit)	from October 17, 2017)	
5.	Stability Certificate	Approved by the Director, Industrial Safety & Health Department, Gujarat	17/S/10/21 (Dholi Unit I)	October 21, 2017	October 20, 2022
6.			NANDAN-01A/07/20 (Dholi Unit II)	July 06, 2020	July 5, 2025
7.			MHD/NTP/093/2021 (Dholi Unit III)	September 23, 2021	September 22, 2026
8.			17/S/10/18 (Piplej Unit)	October 18, 2017	October 17, 2022
9.	Provident Fund Registration Certificate, under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 for Dholi Unit III	Assistant P.F. Commissioner (Compliance) Employees Provident Fund Organization, Maharashtra	GJAHD1477450000	June 1, 2016	N.A.
10.	Employees' State Insurance Registration Certificate under /the Employees' State Insurance Act, 1948 for Piplej Unit	Employees' State Insurance Corporation, Ahmedabad	37001156900000108	February 24, 2020	N.A.
11.	Registration under the Contract Labour (Regulation and Abolition) Act, 1970 for Dholi Unit III	Deputy Commissioner of Labour, Labour Commissioner Office, Ahmedabad	AHD/2021/CLRA/252	June 25, 2021	N.A.
12.	Registration	Amdavad	PII/NKR/10000/0271984	September	N. A.

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
	certificate under Gujarat Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2019 for corporate office at Bopal, Ahmedabad	Municipal Corporation	(MAKARBA)	29, 2021	

(c) Foreign Trade Related Approvals

S. No.	Details of Registration/ Certificate/	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Importer-Exporter Code Certificate (IEC)	Directorate General of Foreign Trade, Office of the Additional Director General of Foreign Trade, Mumbai, Ministry of Commerce and Industry, Government of India	0815905912]	February 16, 2016	Perpetual
2.	Certificate of Recognition as a Two Star Export House (under Foreign Trade Policy 2015-2020)	Directorate General of Foreign Trade, Ministry of Commerce & Industry, Government of India.	File No. AHDSTATAPPL Y00016579AM 22	July 19, 2021	July 19, 2026
3.	Authorization under Zero Duty EPCG Scheme under Foreign Trade Policy 2015-20	Additional Directorate General of Foreign Trade	0830009187	January 25, 2017	January 25, 2023
4.			0830009188	January 25, 2017	January 25, 2023
5.			0830009572	May 03, 2017	May 03, 2023
6.			0830011055	March 11, 2019	March 11, 2025
7.			0830011514	October 04, 2019	October 04, 2025

8.			0830011515	October 04, 2019	October 04, 2025
9.			0830011639	December 17, 2019	December 17, 2025
10.			0830011912	July 30, 2020	July 30, 2026
11.			0830011973	August 31, 2020	August 31, 2026
12.			0831000919	March 16, 2021	March 16, 2027
13.			0831002026	July 17, 2021	July 17, 2027

(d) Tax related Approvals

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Certificate of Registration and GSTIN	Government of Gujarat and Government of India	24AAECN8555G1ZB*	October 18, 2021 (Valid from July 01, 2017)	-
2.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAECN8555G	-	-
3.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	MUMN22343G	-	-
4.	Professional Tax Certificate of Registration for Dholi Unit	Ruggad Gram Panchayat	Not Available	Not Available	N.A.
5.	Professional Tax Certificate of Enrolment for Dholi Unit	Ruggad Gram Panchayat	Not Available	Not Available	N.A.
6.	Professional Tax Certificate of Registration for	Amdavad Municipal Corporation	PRC010348000072	Not Available	N.A.

	Piplej Unit					
7.	Professional Certificate of Enrolment for Piplej Unit	Tax of for	Amdavad Municipal Corporation	PEC010348000979	Not Available	N.A.
8.	Professional Certificate of Registration for Corporate Office at Bopal	Tax of for	Amdavad Municipal Corporation	PRC010781000758	September 27, 2021	N.A.
9.	Professional Certificate of Enrolment for Corporate Office at Bopal	Tax of for	Amdavad Municipal Corporation	PEC010781002506	September 27, 2021	N.A.

(e) Subsidies

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Eligibility Certificate for VAT Concession for Dholi Unit I and III and Piplej Unit (under the Gujarat Textile Policy-2012)	Office of the Industries Commissioner, Gujarat	1439509	August 21, 2017	August 20, 2025
2.	Eligibility Certificate for VAT Concession for Dholi Unit I and III and Piplej Unit (Under the Gujarat Textile Policy-2012)	Office of the Industries Commissioner, Gujarat	1439510	August 21, 2017	August 20, 2025
3.	Eligibility Certificate for VAT Concession for Dholi Unit I and III and Piplej Unit (under the Gujarat Textile Policy-2012)	Office of the Industries Commissioner, Gujarat	1439512	August 21, 2017	August 20, 2025
4.	Eligibility Certificate for VAT Concession for Dholi Unit I and III and Piplej Unit (under the Gujarat Textile Policy-2012)	Office of the Industries Commissioner, Gujarat	1439511	August 21, 2017	August 20, 2025

5.	Eligibility Certificate for Power Tariff Subsidy for Dholi Unit I and III and Piplej Unit	Office of the Industries Commissioner, Gujarat	1439508	August 21, 2017	August 20, 2022
6.	Eligibility Certificate for Power Tariff Subsidy for unit Dholi Unit I and III and Piplej Unit	Office of the Industries Commissioner, Gujarat	1453108	August 21, 2017	August 20, 2022
7.	Sanction of Interest Subsidy under Gujarat Textile Policy – 2012 in relation to ‘garments and made-ups, cotton spinning, cotton weaving, dyeing and processing’ for Dholi Unit I and III and Piplej Unit	Industries Commissionerate	1439507	July 31, 2017	July 30, 2022

(f) Other approvals and quality certifications

S. No.	Details of Registration/ Certificate	Issuing Agency	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Registration cum Membership Certificate for Cotton Madeups	The Cotton Textiles Export Promotion Council (TEXPROCIL)	MM/34097(2019)-N	September 30, 2019	March 31, 2024
2.	Certificate for authorisation according to STANDARD 100 by OEKO-TEX to use the STANDARD 100 by OEKO-TEX mark for Dholi Units	HOHENSTEIN Textile Testing Institute GmbH & Co. KG	17.HIN.04678	April 12, 2021	March 31, 2022
3.	Certificate for authorisation according to STANDARD 100 by OEKO-TEX to use the STANDARD 100 by OEKO-TEX mark for Dholi Unit III	HOHENSTEIN Textile Testing Institute GmbH & Co. KG	20.HIN.32825	February 16, 2021	February 28, 2022

S. No.	Details of Registration/ Certificate	Issuing Agency	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
4.	Certificate for authorisation according to STeP by OEKO-TEX to use the OEKO- TEX mark for Piplej Unit.	OEKO-TEX Association	20001676 HOHENSTEINHTTI	December 10, 2020	December 31, 2023
5.	Certificate for authorisation according to STeP by OEKO-TEX to use the OEKO- TEX mark for Dholi Units	OEKO-TEX Association	20001452 HOHENSTEINHTTI	February 16, 2021	December 31, 2023
6.	SA 8000 for Dholi Unit III	N/A	Certificate No. 20602-A-01	January 13, 2021	January 13, 2024
7.	C-TPAT Certificate	QIMA Audit Services Department	N/A	September 11, 2019	September 08, 2022
8.	Egyptian Cotton Trade Mark Certification*	Cotton Egypt Association	License No: 1049	N/A	October 12, 2021**
9.	Fairtrade Certificate	FAIRTRADE	FLO ID 39795	April 22, 2020	April 22, 2024
10.	Global Organic Textile Standard (GOTS)	OneCert International Pvt. Ltd.	N ONE-2357-210309-T-GOTS	March 09, 2021	January 24, 2022
11.	Global Recycled Standard (GRS) Scope Certificate	OneCert International Pvt. Ltd.	N ONE-2357-210309-T-GRS	March 09, 2021	January 24, 2022

* The Egyptian Cotton Trade Mark Certification is under the process of renewal.

MATERIAL APPROVALS WHICH HAVE BEEN APPLIED FOR AND ARE CURRENTLY PENDING

- (a) Our Company has applied on September 17, 2021 for registration of its new standing orders covering all Dholi Units and Piplej Unit under the Industrial Employment (Standing Order) Act, 1946.
- (b) Our Company has applied for the consent to operate, having Application ID: 169021, under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 for its Piplej Unit and is yet to receive the same.

- (c) An application for permission to extract ground water by Dholi Integrated Spinning Park Limited from units situated in the Dholi Integrated Spinning Park including our Dholi Unit III is currently pending. Inclusion of Dholi Unit I and II in such application is also pending.




MATERIAL APPROVALS FOR WHICH NO FRESH OR RENEWAL APPLICATIONS HAVE BEEN MADE

- (a) Consent to operate under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 for Dholi Unit II.
- (b) Certificate of Registration and Certificate of Enrolment for its registered office at Mumbai under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.
- (c) Separate registration or sub-code under existing registration for its corporate office at Bopal, Ahmedabad for contribution under the Employee State Insurance Act, 1948.
- (d) Intimation as required under the Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 with respect to our registered office situated at Mumbai, Maharashtra.
- (e) Registration under the Contract Labour (Regulation and Abolition) Act, 1970 for Dholi Unit I.


INTELLECTUAL PROPERTY RIGHTS

Trademarks

Our Company has made applications for the registration and/or obtained registration of the following trademarks:

Sr. No.	Trademark	Class	Application Number	Date of Application	Status	Applicant Name
1.		24	3604055	August 1, 2017	Registered	NANDAN TERRY PRIVATE LIMITED
2.		24	4042931	January 1, 2019	Registered	NANDAN TERRY PRIVATE LIMITED
3.		24	5095791	August 19, 2021	Objected	NANDAN TERRY LIMITED



Sr. No.	Trademark	Class	Application Number	Date of Application	Status	Applicant Name
4.		23	5095790	August 19, 2021	Objected	NANDAN TERRY LIMITED

The Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property rights including trademarks, patents, designs, copyrights, etc.

Domain Name

Our Company has domain names 'www.nandanterry.com' registered under its name

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

Corporate Approvals

- Our Board of Directors have passed a resolution in relation to the Issue and other related matters dated August 14, 2021 for a total Issue of ₹ 20,000 Lakh which has been further enhanced to ₹ 35,000 Lakh *vide* a resolution passed in the Board meeting held on September 13, 2021.
- Our Shareholders have passed a resolution in relation to the Issue and other related matters dated August 18, 2021 for a total Issue of ₹ 20,000 Lakh which has been further enhanced to ₹ 35,000 Lakh *vide* a special resolution passed by Shareholders at EGM held on October 11, 2021.
- This Draft Red Herring Prospectus was approved by our Board *vide* its resolution in its meeting dated December 09, 2021.

APPROVAL FROM THE SELLING SHAREHOLDERS

Our Company does not have any Selling Shareholders as on the date of this Draft Red Herring Prospectus.

IN-PRINCIPLE APPROVAL FROM THE STOCK EXCHANGE

We have received in-principal approval from BSE and NSE for the listing of our Equity Shares pursuant to the letter dated [●] bearing reference no. [●] and letter dated [●] bearing reference no. [●], respectively.

PROHIBITION BY THE SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Except as disclosed below, our Company, our Promoters, our Directors, the Promoter Group and the persons in control of Promoters or our Company are not prohibited from accessing the capital markets 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.

Nova Petrochemicals Limited (demerged and now CIL Nova Petrochemicals Limited, our group company, & GSL Nova Petrochemicals Limited), was restrained from buying, selling, dealing or accessing the securities market directly or indirectly in any manner whatsoever for a period of two years starting from January 10, 2012 under Section 15-I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. At that time, Mr. Vedprakash Devkinandan Chiripal was acting in the capacity of a director of Nova Petrochemicals Limited. In pursuance of the same, in Adjudication Order No. MRD/MK/01/2018, a penalty of Rs. 10,00,000/- was imposed jointly on the directors of Nova Petrochemicals Limited, including Mr. Vedprakash Devkinandan Chiripal.

COMPLIANCE WITH THE SBO RULES, 2018

Except as mentioned below, our Company, our Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018 to the extent in force and as applicable.

“As per Section 90 of the Companies Act read with SBO Rules, every significant beneficial owner of shares of a company (including partner of a limited liability partnership) is required to disclose the nature of his interest to the company in Form BEN-1 and in turn such company submits Form BEN-2 to Registrar of Companies informing about significant beneficial ownership of its shares. Chiripal Exim LLP, our corporate Promoter, is holding Equity Shares of our Company, and accordingly the partners of Chiripal Exim are required to file Form BEN-1 with our Company. In the year 2019, Mr. Ronak Brijmohan Chiripal had filed Form BEN-1 to our Company disclosing his significant beneficial ownership in Equity Shares held by Chiripal Exim LLP, however, Mr. Ronak Brijmohan Chiripal was not acting as a partner of Chiripal Exim LLP, as per MCA records. Therefore, the disclosure made in such Form BEN-1 was erroneous. Relying upon Form BEN-1 filed by Mr. Ronak Brijmohan Chiripal, our Company in the year 2019 had also filed Form BEN-2 with ROC informing about significant beneficial ownership of Mr. Ronak Brijmohan Chiripal in Equity Shares held by Chiripal Exim LLP. This also leads to erroneous filing of Form BEN-2 with RoC on the part of our Company.”

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against any of our directors in the five years preceding the date of this Draft Red Herring Prospectus.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹ 300 Lakh, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹ 1,500 Lakh, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹100 Lakh in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, average operating profits and net worth, derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at September 30, 2021, and for the last three Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 are set forth below:

(₹ in lakh, unless otherwise stated)

Particulars	For six months ended September 30, 2021	As at and for the Fiscal ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Net tangible assets, as restated ¹	73,362.83	67,880.81	65,097.72	65,143.40
Monetary assets, as restated ²	232.29	2,076.26	397.95	42.86
Monetary assets, as a percentage of net tangible assets, as restated	0.32%	3.06%	0.61%	0.07%
Operating Profit, as restated ³	5,668.84	6,046.24	3,549.86	3,321.31
Net worth, as restated ⁴	14,908.61	11,694.64	9,290.03	9,373.41

1. Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by the Institute of Chartered Accountants of India.

2 'Monetary assets' is the aggregate of cash in hand and balance with bank in current and deposit account.

3 'Operating profit' has been calculated as restated profit before finance costs, other income, exceptional item and tax expenses, each on a restated basis.

4 'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, as per the restated statement of assets and liabilities of our Company in the Restated Financial Statements.

Our Company has operating profits in each of Fiscals 2021, 2020 and 2019 in terms of our Restated Financial Statements.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable. Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable.

The details of our compliance with Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, are as follows:

- (a) None of our Company, our Promoters, members of our Promoter Group, our directors are debarred from accessing the capital markets by SEBI.
- (b) None of our Promoters or Directors are associated as promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
- (c) None of our Company, our Promoters or Directors is a Wilful Defaulter.
- (d) None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

- (e) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of the Company as on the date of this Draft Red Herring Prospectus.
- (f) Our Company along with the Registrar to our Company, have entered into tripartite agreements, each dated September 21, 2021 and September 24, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- (g) The Equity Shares of our Company held by the Promoters are in the dematerialised form; and
- (h) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO 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 THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS BEING, HOLANI CONSULTANTS PRIVATE LIMITED AND BOI MERCHANT BANKERS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 10, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER 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 ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.



All legal requirements pertaining to the Issue will be complied with at the time of registering the Draft Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE BRLMS

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.nandanterry.com, would be doing so at his or her own risk.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in (i) downloading the Bids due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, 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.

The BRLMs and its associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

DISCLAIMER IN RESPECT OF JURISDICTION

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate



bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, VCFs, AIFs, public financial institutions, scheduled commercial banks, state industrial development corporation, permitted national investment funds, NBFC-SIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to, offer to sell or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Draft Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Draft Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. No person outside India is eligible to bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus will be registered with the RoC. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus, nor any issue or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

ELIGIBILITY AND TRANSFER RESTRICTIONS

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

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

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

The Company, the BRLMs and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.



Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with the applicable laws.

DISCLAIMER CLAUSE OF BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

DISCLAIMER CLAUSE OF THE NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

LISTING

National Stock Exchange of India Limited will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

If the permission to deal in the Equity Shares are not granted by either BSE or NSE, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

CONSENTS

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, the legal counsels appointed for the Issue, the bankers to our Company, the BRLMs and Registrar to the Issue, in their respective capacities, have been obtained; and (b) the Syndicate Member, Monitoring Agency, Bankers to the Issue/Escrow Collection Bank, Public Issue Account Bank, Sponsor Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated October 09, 2021 from the Statutory Auditor namely, C. N. Somani & Associates, Chartered Accountants to include their name in this Draft Red Herring Prospectus as Statutory Auditor and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has also received written consent dated November 24, 2021 from C. N. Somani & Associates, Chartered Accountants to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an ‘expert’ as defined under section 2(38) of the Companies Act, 2013 in respect of (i) examination report, dated December 04, 2021 on our Restated Financial Information, (ii) report dated December 07, 2021 on the statement of tax benefits and (iii) report dated December 04, 2021 on other financial information and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

EXPERT OPINIONS

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

- (1) Our Company has also received written consent dated November 24, 2021 from C. N. Somani & Associates, Chartered Accountants to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their report dated December 07, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
- (2) Our Company has received written consent dated November 24, 2021 from C. N. Somani & Associates, Chartered Accountants, to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report, dated December 04, 2021 on our Restated Financial Information, (ii) report dated December 07, 2021 on the statement of tax benefits and (iii) report dated December 04 2021 on Other Financial Information, and written consent dated November 24, 2021, 2021 from C. N. Somani & Associates, Chartered Accountants to include their name under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and consent thereof shall not be construed to mean an “expert” or consent as defined under the U.S. Securities Act.
- (3) In addition, our Company has received written consent dated November 23, 2021 from S. K. Patel, Chartered Engineer, as chartered engineer to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 in respect of his certificate dated October 12, 2021 on the Company’s manufacturing capacity and its utilization at certain manufacturing facilities, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES BY OUR COMPANY DURING THE LAST FIVE YEARS

Our Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) during the five years immediately preceding the date of this Draft Red Herring Prospectus.



UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION PAID ON PREVIOUS ISSUES OF THE EQUITY SHARES IN THE LAST FIVE YEARS

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in since incorporation.

CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY OUR COMPANY AND/OR LISTED GROUP COMPANIES OF OUR COMPANY

Our listed Group Companies have not undertaken a capital issuance in previous three years.

For details in relation to the capital issuances by our Company since incorporation, see “*Capital Structure - Notes to the Capital Structure*” on page 98 of this Draft Red Herring Prospectus.

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

Our Company has not undertaken any public or rights issue (as defined under the SEBI ICDR Regulations) in the five years immediately preceding the date of this Draft Red Herring Prospectus.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED PROMOTERS/LISTED SUBSIDIARIES OF OUR COMPANY

Our Company and the Promoters do not have securities listed on any stock exchange. There is no subsidiary company as on the date of this Draft Red Herring Prospectus.

PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS

(a) Holani Consultants Private Limited, our Book Running Lead Manager, has been issued a certificate of registration dated 31st January 2018 by SEBI as Merchant Banker Category 1 with registration no. **INM000012467**. Given below is the statement on price information of past issues handled by Holani Consultants Private Limited.

TABLE 1: DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY HOLANI CONSULTANTS PRIVATE LIMITED

S. No.	Issue Name	Issue Size (₹ In Lakh)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	E2E Networks Limited	2,199.06/-	57/-	May 15, 2018	85/-	33.24% [0.51%]	60.53% [5.81%]	23.16% [-2.01%]
2.	Lagnam Spintex Limited	2,460.00/-	41/-	September 18, 2018	41/-	-56.71% [-7.32%]	-59.27% [-4.20%]	59.88% [1.31%]
3.	G. K. P. Printing & Packaging Limited	657.92/-	32/-	May 08, 2019	34.20/-	40.63% [4.61%]	14.06% [-2.88%]	8.75% [6.29%]
4.	Network People Services Technologies Limited	1,369.60/-	80/-	August 10, 2021	83.95/-	-8.70% [6.59%]	- 14.89% [9.88%]	N.A.

Sources: All the shares price data is from: www.bseindia.com and www.nseindia.com

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total no. of IPO	Total amount of funds raised (₹ In Lakh)	No. of IPOs trading at discount- 30 th calendar days from listing			No. of IPOs trading at premium- 30 th calendar days from listing			No. of IPOs trading at discount- 180 th calendar days from listing			No. of IPOs trading at premium- 180 th 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%
2018– 19	2*	4659.06	1	Nil	Nil	Nil	1	Nil	1	Nil	Nil	Nil	Nil	1
2019 – 20	1 [@]	657.92	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil	1
2021– 22	1 [§]	1369.60	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* The Scrip of E2E Networks Ltd got listed on May 15, 2018.

*The Scrip of Lagnam Spintex Ltd got listed on September 18, 2018.

@The Scrip of G. K. P. Printing & Packaging Ltd got listed on May 08, 2019.

§The Scrip of Network People Services Technologies Limited got listed on August 10, 2021.

Note:

- 1) Benchmark Index considered as Sensex 30 Index and Nifty 50 Index.
- 2) Prices on NSE/BSE are considered for all of the above calculations.
- 3) In case 30th/90th/180th day is a holiday, closing price on NSE/BSE of the previous trading day has been considered.
- 4) In case 30th/90th/180th day, scrips are not traded then closing price on NSE/BSE of the previous trading day has been considered.

(b) BOI Merchant Bankers Limited, our Book Running Lead Manager, has been issued a certificate of registration dated November 22, 2019 by SEBI as Merchant Banker Category 1 with registration no. **INM000012201**. Given below is the statement on price information of past issues handled by BOI Merchant Bankers Limited: -

TABLE 1: DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY BOI MERCHANT BANKERS LIMITED

S. No.	Issue Name	Issue Size (₹ In Lakh)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Lagnam Spintex Limited	2,460.00/-	41/-	September 18, 2018	41/-	-56.71% [-7.32%]	-59.27% [-4.20%]	59.88% [1.31%]
2.	Network People Services Technologies Limited	1,369.60/-	80/-	August 10, 2021	83.95/-	-8.70% [6.59%]	- 14.89% [9.88%]	N.A.

Sources: All the shares price data is from: www.bseindia.com and www.nseindia.com

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total no. of IPO	Total amount of funds raised (₹ In Lakh)	No. of IPOs trading at discount- 30 th calendar days from listing			No. of IPOs trading at premium- 30 th calendar days from listing			No. of IPOs trading at discount- 180 th calendar days from listing			No. of IPOs trading at premium- 180 th 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%
2018- 19	1*	2,460.00	1	Nil	Nil	Nil	1	Nil	1	Nil	Nil	Nil	Nil	1
2021- 22	1@	1369.60	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*The Scrip of Lagnam Spintex Ltd got listed on September 18, 2018.

@The Scrip of Network People Services Technologies Limited got listed on August 10, 2021

Note:

- 1) Benchmark Index considered as Sensex 30 Index and Nifty 50 Index.
- 2) Prices on NSE/BSE are considered for all of the above calculations.
- 3) In case 30th/90th/180th day is a holiday, closing price on NSE/BSE of the previous trading day has been considered.
- 4) In case 30th/90th/180th day, scrips are not traded then closing price on NSE/BSE of the previous trading day has been considered.

STOCK MARKET DATA OF EQUITY SHARES

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

MECHANISM FOR INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

In accordance with the SEBI circulars dated February 15, 2018, March 16, 2021 and June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular dated March 16, 2021 in the event of (i) delayed unblock for cancelled/withdrawn/deleted applications; (ii) blocking of multiple amounts for the same UPI application; (iii) blocking of more amount than the application amount; (iv) delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay.

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 eight 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.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs applying through the UPI Mechanism. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. 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, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has constituted Stakeholders Relationship Committee to redress complaints of shareholders of our Company. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on August 14, 2021. For further details on the Committees, see the chapter titled "**Our Management**" beginning on page 209 of this Draft Red Herring Prospectus.

Our Company has appointed Ms. Deval Bakulkumar Patel as the Company Secretary and Compliance Officer to redress the complaints, if any, of the investors participating in the Issue. See the section titled "**Introduction**" beginning on page 79 of this Draft Red Herring Prospectus for contact details of our Company Secretary and Compliance Officer.

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three (3) years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Disposal Of Investor Grievances by Listed Companies Under the Same Management as the Company

The investor complaints received by our listed Group Companies are as follows:

S.No.	Company Name	Complaint Particulars	Status
1.	Nandan Denim Limited	Nil	Nil
2.	Vishal Fabrics Limited	Nil	Nil
3.	Shanti Educational Initiatives Limited	Nil	Nil
4.	CIL Nova Petrochemicals Limited	Nil	Nil

Our Company has no Subsidiary as on the date of this Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued, offered and Allotted and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC 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 the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

The Issue

The Issue is a fresh Issue of Equity Shares by our Company. The entire Issue – related expenses shall be borne by our Company only. For further information, on the Issue – related expenses, see the chapter titled “**Objects of the Issue**” beginning on page 114 of this Draft Red Herring Prospectus.

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, see the chapter titled “**Description of Equity Shares and Terms of Articles of Association**” beginning on page 437 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government in this regard. Dividends, if any declared by our Company after the date of Allotment, will be payable to the Bidders who have been allotted Equity Shares in this Issue, for the entire year, in accordance with the applicable laws. For more information, see the chapters titled “**Dividend Policy**” and “**Description of Equity Shares and Terms of Articles of Association**” beginning on pages 249 and 437, respectively of this Draft Red Herring Prospectus.

Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper,

Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. At any given point of time, there shall be only one denomination for the Equity Shares.

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 law, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including and RBI rules and regulations; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act 2013, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation and splitting, see the chapter titled ***“Description of Equity Shares and Terms of Articles of Association”*** beginning on page 437 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot and Allotment of securities in dematerialised form

In terms of Section 29 of the Companies Act 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Tripartite agreement dated September 21, 2021 amongst our Company, NSDL and the Registrar to the Issue;
- Tripartite agreement dated September 24, 2021 amongst our Company, CDSL and the Registrar to the Issue.

Our Company’s Equity Share bear ISIN no. **INE0J6M01011**

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For further details, see the chapter titled “*Issue Procedure*” beginning on page 414 of this Draft Red Herring Prospectus.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination Facility to Investors

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest to the exclusion of the other persons, unless the nomination is varied or cancelled in the prescribed manner.

A person, being a nominee, entitled to the Equity by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will 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 the holder’s death during minority.

A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Share(s) who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 2013, shall upon the production of such evidence as may be required by the Board, elect either:

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

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If Bidders want to change their nomination, they are requested to inform their respective Depository Participant. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/ Issue Programme

BID/ISSUE OPENS ON	[●] ⁽¹⁾
BID/ ISSUE CLOSES ON	[●] ⁽²⁾

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

⁽²⁾ Our Company in consultation with the BRLMs may, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

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

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to depository accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLMs.

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

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

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Issue Closing Date	
Submission and revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- (i) In case of Bids by QIBs and Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded by 4.00 p.m. IST, and
- (ii) In case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

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

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Working days.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None of our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with BRLMs, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank, as applicable.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Period Of Operation of Subscription List

See “*Terms of the Issue – Bid/ Issue Programme*” on page 406 of this Draft Red Herring Prospectus.

Minimum Subscription

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Issue Closing Date on the date of closure of the Issue or; the minimum subscription of 90% of the fresh Issue on the date of closure of the Issue; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the Issue document, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an undersubscription in the Issue, after meeting the minimum subscription requirement of 90% of the Issue, the balance subscription in the Issue will be met through the issuance of balance part of the Issue.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share. Henceforth, no arrangements for disposal of odd lots are required.

Restriction, If any, on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue capital of our Company, lock-in of the Promoter's minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in the chapter titled "**Capital Structure**" beginning on page 98 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association as detailed in "**Description of Equity Shares and Terms of Articles of Association**" on page 437 of this Draft Red Herring Prospectus, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting. Further, there are no restrictions on transmission of any shares/debentures of our Company and on their consolidation or splitting, except as provided in the Articles of Association.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

ISSUE STRUCTURE

The Issue of [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ 25,496.17 Lakh. The Issue shall constitute [●] %, of the post-Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process.

Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 4,000.00 Lakh, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid-up Equity Share capital of our Company being Allotted to the public.

The Face value of the Equity Shares is ₹ 10/- each.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/Allocation ^{*(2)}	Not more than [●] Equity Shares.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment / Allocation.	Not more than 50% of the Issue Size shall be Allotted to QIBs. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs.	Not less than 15% of the Issue or the Issue less allocation to QIBs and Retail Individual Bidders will be available for allocation.	Not less than 35% of the Issue or Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation.
Basis of Allotment / allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a	Proportionate	The Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the

	proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.		remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details, see the chapter titled “ Issue Procedure ” beginning on page 414 of this Draft Red Herring Prospectus.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹2,00,000.	Such number of Equity Shares that the Bid Amount exceeds ₹2,00,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the QIB Portion), subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2,00,000.
Mode of Allotment	Compulsorily in dematerialized form.		
Mode of Bids	Only through the ASBA process only (except for Anchor Investors)		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share For Retail Individual Bidders, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion.		
Trading Lot	One Equity Share		
Who can apply ⁽³⁾	Public financial institutions as specified in section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts, and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs

	institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus ₹ 2,500 Lakh, pension funds with minimum corpus of ₹ 2,500 Lakh, National Investment Fund set up by the Government, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI.		
Terms of Payment	<p>In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA (excluding for Anchor Investors) Form at the time of submission of the ASBA Form and in case of UPI as an alternate mechanism, bid amount shall be blocked at the time of confirmation of mandate collection request by applicant.</p> <p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾</p>		

**Assuming full subscription in the Issue*

⁽¹⁾ Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see “**Issue Procedure**” beginning on page 414 of this Draft Red Herring Prospectus.

⁽²⁾ Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR and under Regulation 6(1) of the SEBI ICDR Regulations.

⁽³⁾ In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company reserves the right to reject, at its absolute discretion, all or any multiple Bids in any or all categories.

⁽⁴⁾ Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website

of the Stock Exchanges and the BRLMs.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The Book Running Lead Managers through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) to unblock the bank accounts of the ASBA bidders within one Working Day from the date of receipt of such notification and also inform the Banker to the Issue to process the refunds to the Anchor Investors as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Book Running Lead Managers withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with SEBI and the Stock Exchanges.

ISSUE PROCEDURE

All Bidders should read 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 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application cum Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) disposal of application; (x) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xi) mode of making refunds; (xii) Designated Date and (xiii) interest in case of delay in allotment or refund.

SEBI vide 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, 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 RIBs 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, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs 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 Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. 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. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (“**UPI Streamlining Circular**”) has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This UPI Streamlining Circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four

Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of application money to four days.

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Members of the Syndicate do not accept any responsibility for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in the Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. In the event of under- subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. However, under subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized mode on the platform of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN, and UPI ID (for Retail Individual Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of UPI Mechanism

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI 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 would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post - Issue BRLMs will be required to compensate the concerned investor.

For further details, please refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our registered and corporate office. The Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

Bidders (other than Anchor Investors and Retail Individual Bidders Bidding using the UPI Mechanism) must provide bank account details and authorization by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Bidders using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. Retail Individual Bidders using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID (in case of RIBs) as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form ⁽¹⁾
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis ⁽²⁾	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis ⁽²⁾	Blue
Anchor Investors ⁽³⁾	White

⁽¹⁾ Excluding electronic Bid cum Application Forms

⁽²⁾ Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

⁽³⁾ Bid cum Application Forms for Anchor Investors shall be available at the offices of BRLMs.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Issue shall provide the audit trail to the BRLMs for analyzing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer bank(s) shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three - way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer bank(s) and Sponsor Bank(s) on a continuous basis.

Electronic Registration of Bids

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be Issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being issued and sold outside the United States in offshore transactions as defined and in compliance with Regulation S and the applicable laws of the jurisdiction where those issues and sales are made.

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

Important Information for Investors – Eligibility and Transfer Restrictions

Until the expiry of 40 days after the commencement of the Issue, an Issue or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States. The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investor must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

Eligible Investors

The Equity Shares are being issued and sold outside the United States, in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those issues and sales occur and who are deemed to have made the representations set forth immediately below.

Each purchaser that is acquiring the Equity Shares issued pursuant to the Issue outside the United States, by a declaration included in the Bid cum Application Form and its acceptance of the Red Herring Prospectus and of the Equity Shares issued pursuant to the issue, will be deemed to have acknowledged, represented and warranted to and agreed with our Company and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to the Issue in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be Issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares issued pursuant to the issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
6. is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) under the U.S. Securities Act);

7. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Member(s)

The BRLMs and the Syndicate Member(s) shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Member(s) may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member(s), shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any associates of the BRLMs can apply in the Issue under the Anchor Investor Portion:

- I. mutual funds sponsored by entities which are associate of the BRLMs;
- II. insurance companies promoted by entities which are associate of the BRLMs;
- III. AIFs sponsored by the entities which are associate of the BRLMs; or
- IV. FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the BRLMs.

Further, persons related to our Promoters and Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

- I. rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;
- II. veto rights; or
- III. right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if:(a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidders bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on non – repatriation basis is advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for non – residents (Blue in colour).

For details of investment by NRIs, see chapter titled "**Restrictions on Foreign Ownership of Indian Securities**" on page 436 of this Draft Red Herring Prospectus. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which mean the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

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, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Bids by SEBI registered AIFs, VCFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (“**SEBI VCF Regulations**”) as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended (“**SEBI FVCI Regulations**”) prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (“**Banking Regulation Act**”), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank’s paid-up share capital and reserves. However,

a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company; (iii) it holds along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars bearing no. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013, dated September 13, 2012 and January 2, 2013, respectively, issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs 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 auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically 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.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2500 Lakh (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakh, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 lakh, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason therefor.

Bids by Anchor Investors

- a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1,000 Lakh. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1,000 Lakh.
- c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- d) Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date, and will be completed on the same day.
- e) Our Company in consultation with the BRLMs may finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 1,000 Lakh;

- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1,000 Lakh but up to ₹ 25,000 Lakh, subject to a minimum Allotment of ₹ 500 Lakh per Anchor Investor; and
 - in case of allocation above ₹ 25,000 Lakh under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 25,000 Lakh, and an additional 10 Anchor Investors for every additional ₹ 25,000 Lakh, subject to minimum Allotment of ₹ 500 Lakh per Anchor Investor.
- f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.
- g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- h) If the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price.
- i) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs), nor any "person related to Promoters or Promoter Group" shall apply in the Issue under the Anchor Investor Portion.
- k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids. The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the

earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding 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 BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

- 1) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
- 2) Ensure that you have Bid within the Price Band;
- 3) Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
- 4) Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
- 5) RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- 6) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
- 7) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

- 8) If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- 9) Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
- 10) Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
- 11) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
- 12) RIBs Bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- 13) Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- 14) Ensure that you have correctly signed the authorization/ undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
- 15) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 16) Ensure that the Demographic Details are updated, true and correct in all respects;
- 17) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- 18) Ensure that the category and the investor status is indicated in the Bid cum Application Form;
- 19) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
- 20) Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
- 21) Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
- 22) RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
- 23) Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
- 24) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/Issue Closing Date;
- 25) Ensure that the PAN is linked with Aadhaar and are in compliance with notification dated February 13, 2020 and press release dated June 25, 2021 issued by Central Board of Direct Taxes;
- 26) FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
- 27) RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and
- 28) Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or

SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

- 1) Do not Bid for lower than the minimum Bid size;
- 2) Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders;
- 3) Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
- 4) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not Bid at Cut-off Price for Bids by QIBs and Non-Institutional Bidders;
- 6) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- 7) Do not submit the Bid for an amount more than funds available in your ASBA account;
- 8) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
- 9) In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
- 10) If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
- 11) Anchor Investors should not Bid through the ASBA process;
- 12) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- 13) Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- 14) Do not submit the General Index Register (GIR) number instead of the PAN;
- 15) Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 16) Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 17) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

- 18) Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
- 19) Do not submit a Bid using UPI ID, if you are not a RIB;
- 20) Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- 21) Do not Bid for Equity Shares in excess of what is specified for each category;
- 22) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
- 23) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
- 24) Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
- 25) If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID; and
- 26) Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

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 to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see chapter titled **“General Information”** beginning on page 87 of this Draft Red Herring Prospectus.

Further, helpline details of the BRLMs pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see **“General Information – Book Running Lead Managers”** on page 90 of this Draft Red Herring Prospectus.

Grounds for technical rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

- 1) Bid submitted without instruction to the SCSB to block the entire Bid Amount;
- 2) Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the ASBA Form;
- 3) Bids submitted on a plain paper;

- 4) Bids submitted by RIBs using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI;
- 5) Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID, subject to availability of information from the Sponsor Bank;
- 6) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
- 7) Bids submitted without the signature of the First Bidder or sole Bidder;
- 8) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
- 9) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
- 10) Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹200,000;
- 11) GIR number furnished instead of PAN;
- 12) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and
- 13) Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs 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 through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- a) In case of resident Anchor Investors: “[●]”
- b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company and the members of Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see chapter titled “*Terms of the Issue*” beginning on page 403 of this Draft Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], an English national daily newspaper, (ii) all editions of [●], a Hindi national daily newspaper, and (iii) Marathi editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, (ii) all editions of [●], a Hindi national daily newspaper, and (iii) Marathi editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located.

Signing of the Underwriting Agreement and the Filing with the RoC

- a) Our Company and the Underwriter(s) intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price but prior to the filing of Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The

Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who—

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10 Lakh or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10 Lakh or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 Lakh or with both.

Undertakings by our Company

Our Company undertakes the following:

- (i) That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- (ii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Issue Closing Date or such other timeline as may be prescribed by SEBI;
- (iii) If Allotment is not made within the prescribed time under applicable law, application monies will be refunded/unblocked in the ASBA Accounts within four days from the Bid/Issue Closing Date or such other time as may be specified by SEBI, failing which our Company shall pay interest prescribed under the Companies Act 2013 and the SEBI ICDR Regulations for the delayed period;
- (iv) 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 the Company;
- (v) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving

details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- (vi) That if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) That if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;
- (viii) The Minimum Promoters' Contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulation.
- (ix) That the Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- (x) That adequate arrangements shall be made to collect all Bid cum Application Forms; and
- (xi) That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion) (“**DPIIT**”)

The Government 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 through notification dated October 15, 2020 effective from October 15, 2020 (“**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. 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.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “**Issue Procedure - Bids by Eligible NRIs**” and “**Issue Procedure - Bids by FPIs**” both on page 421 of this Draft Red Herring Prospectus.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see the chapter titled “**Issue Procedure**” beginning on page 414 of this Draft Red Herring Prospectus.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be Issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being Issued and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those Issues and sales are made.

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

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/ defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the management of the Company and for the observance of the Members there of and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	Table F Applicability.
	Interpretation Clause	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	“The Act” means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof.	Act
	“These Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	Articles
	“Auditors” means and includes those persons appointed as such for the time being of the Company.	Auditors
	“Capital” means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital
	*“The Company” shall mean Nandan Terry Limited	
	“Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	Executor or Administrator
	“Legal Representative” means a person who in law represents the estate of a deceased Member.	Legal Representative

Sr. No	Particulars	
	Words importing the masculine gender also include the feminine gender.	Gender
	“In Writing” and “Written” includes printing lithography and other modes of representing or reproducing words in a visible form.	In Writing and Written
<p># The name of the Company was changed to Nandan Terry Limited pursuant to conversion of private company to public company and adoption of new set of articles of association vide special resolution passed by the members at their Extraordinary General Meeting of the company held on July 30, 2021.</p>		
	The marginal notes hereto shall not affect the construction thereof.	Marginal notes
	“Meeting” or “General Meeting” means a meeting of members.	Meeting or General Meeting
	“Month” means a calendar month.	Month
	“Annual General Meeting” means a general meeting of the Members held in accordance with the provision of section 96 of the Act.	Annual General Meeting
	“Extra-Ordinary General Meeting” means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	Extra-Ordinary General Meeting
	“National Holiday” means and includes a day declared as National Holiday by the Central Government.	National Holiday
	“Non-retiring Directors” means a director not subject to retirement by rotation.	Non-retiring Directors
	“Office” means the registered Office of the Company.	Office
	“Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto by Section 114 of the Act.	Ordinary and Special Resolution
	“Person” shall be deemed to include corporations and firms as well as individuals.	Person
	“Proxy” means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	Proxy
	“The Register of Members” means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	Register of Members
	“Seal” means the common seal of the Company.	Seal
	Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number
	The Statutes means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
	“These presents” means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	These presents
	“Variation” shall include abrogation; and “vary” shall include abrogate.	Variation
	“Year” means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.	Year and Financial Year
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any	Expressions in the Act to bear the same

Sr. No	Particulars	
	statutory modifications thereof for the time being in force.	meaning in Articles
	CAPITAL	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	Authorized Capital.
4.	<p>The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.</p> <p>Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.</p>	Increase of capital by the Company how carried into effect
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital same as existing capital
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	Non-Voting Shares
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	Redeemable Preference Shares
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of preference shares
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of</p>	Provisions to apply on issue of Redeemable Preference Shares

Sr. No	Particulars	
	<p>which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
<p>10.</p>	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<p>Reduction of capital</p>
<p>11.</p>	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<p>Debentures</p>
<p>12.</p>	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<p>Issue of Sweat Equity Shares</p>

Sr. No	Particulars	
13.	The Company may issue shares to Employees including its directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	ESOP
14.	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.	Buy Back of shares
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	Consolidation, Sub-Division and Cancellation
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	Issue of Depository Receipts
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities
	MODIFICATION OF CLASS RIGHTS	
18.	<p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	Modification of rights

Sr. No	Particulars	
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari-passu therewith.	New Issue of Shares not to affect rights attached to existing shares of that class.
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	Shares at the disposal of the Directors.
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	Power to issue shares on preferential basis.
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be	Directors may allot shares as fully paid-up

Sr. No	Particulars	
	fully paid-up or partly paid-up shares as aforesaid.	
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc.to be a debt payable immediately.
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	Liability of Members.
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
28.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the	Share Certificates.

Sr. No	Particulars	
	<p>presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p>	<p>Issue of new certificates in place of those defaced, lost or destroyed.</p>

Sr. No	Particulars	
	The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	
30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	The first named joint holder deemed Sole holder.
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	Maximum number of joint holders.
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Company not bound to recognise any interest in share other than that of registered holders.
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalment, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	Instalment on shares to be duly paid.
	UNDERWRITING AND BROKERAGE	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	Commission
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	Brokerage
	CALLS	
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the	Directors may make calls

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	<p>moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by instalments.</p>	
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	Calls to date from resolution.
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on uniform basis.
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend time.
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.	Sums deemed to be calls.
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the	Proof on trial of suit for money due on shares.

Sr. No	Particulars	
	<p>share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>	
<p>43.</p>	<p>Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.</p>	<p>Judgment, decree, partial payment motto proceed for forfeiture.</p>
<p>44.</p>	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<p>Payments in Anticipation of calls may carry interest</p>
	<p>LIEN</p>	
<p>45.</p>	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared</p>	<p>Company to have Lien on shares.</p>

Sr. No	Particulars	
	<p>in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p> <p>Every 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.</p>	
46.	<p>For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.</p>	<p>As to enforcing lien by sale.</p>
47.	<p>The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.</p>	<p>Application of proceeds of sale.</p>
FORFEITURE AND SURRENDER OF SHARES		
48.	<p>If any Member fails to pay the whole or any part of any call or instalment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay</p>	<p>If call or instalment not paid, notice may be given.</p>

Sr. No	Particulars	
	occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	
49.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	Terms of notice.
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	On default of payment, shares to be forfeited.
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	Notice of forfeiture to a Member
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	Forfeited shares to be property of the Company and may be sold etc.
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	Members still liable to pay money owing at time of forfeiture and interest.
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	Effect of forfeiture.
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date	Evidence of Forfeiture.

Sr. No	Particulars	
	stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	Title of purchaser and allottee of Forfeited shares.
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	Cancellation of share certificate in respect of forfeited shares.
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	Forfeiture may be remitted.
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	Validity of sale
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
	TRANSFER AND TRANSMISSION OF SHARES	
61.	The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect	Execution of the instrument of shares.

Sr. No	Particulars	
	thereof.	
62.	<p>The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.</p> <p>The instrument of transfer shall be in a common form approved by the Exchange;</p>	Transfer Form.
63.	<p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	Transfer not to be registered except on production of instrument of transfer.
64.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>	Directors may refuse to register transfer.
65.	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	Notice of refusal to be given to transferor and transferee.
66.	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.</p>	No fee on transfer.

Sr. No	Particulars	
67.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made there under close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	Closure of Register of Members or debenture holder or other security holders.
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	Custody of transfer Deeds.
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	Application for transfer of partly paid shares.
70.	For this purpose, the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	Notice to transferee.
71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Recognition of legal representative.
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives	Titles of Shares of deceased Member

Sr. No	Particulars	
	<p>in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p>	
73.	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	<p>Notice of application when to be given</p>
74.	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.</p>	<p>Registration of persons entitled to share otherwise than by transfer. (Transmission clause).</p>
75.	<p>Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.</p>	<p>Refusal to register nominee.</p>
76.	<p>Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any</p>	<p>Board may require evidence of transmission.</p>

Sr. No	Particulars	
	indemnity.	
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	Company not liable for disregard of a notice prohibiting registration of transfer.
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	Form of transfer Outside India.
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.
NOMINATION		
80.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	Nomination
81.	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- to be registered himself as holder of the security, as the case may be; or	Transmission of Securities by nominee

Sr. No	Particulars	
	<p>to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all fs, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	
	DEMATERIALIZATION OF SHARES	
82.	Subject to the provisions of the Act and Rules made there under the Company may offer its members facility to hold securities issued by it in dematerialized form.	Dematerialisation of Securities
	JOINT HOLDER	
83.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	Joint Holders
84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	Joint and several liabilities for all payments in respect of shares.
	(b) On the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	Title of survivors.
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	Receipts of one sufficient.
	(d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	Delivery of certificate and giving of notices to first named holders.
	SHARE WARRANTS	

Sr. No	Particulars	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	Power to issue share warrants
86.	<p>The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	Deposit of share warrants
87.	<p>Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	Privileges and disabilities of the holders of share warrant
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	Issue of new share warrant coupons
	CONVERSION OF SHARES INTO STOCK	
89.	The Company may, by ordinary resolution in General Meeting, (a) convert any fully paid-up shares into stock; and (b) re-convert any stock into fully paid-up shares of any denomination.	Conversion of shares into stock or reconversion.
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however	Transfer of stock.

Sr. No	Particulars	
	that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock Holders.
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	Regulations.
	BORROWING POWERS	
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	Power to borrow.
94	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	Issue of discount etc. or with special privileges.
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable,	Securing payment or repayment of Moneys borrowed.

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	free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors.
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital.
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.
MEETINGS OF MEMBERS		
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
100.	The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	Extra-Ordinary General Meeting by Board and by requisition
	If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	When a Director or any two Members may call an Extra Ordinary General Meeting
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.
102.	The Chairman (if any) of the Board of Directors shall be entitled	Chairman of General

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	to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	Meeting
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	Business confined to election of Chairman whilst chair is vacant.
104.	<p>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. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>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.</p> <p>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.</p>	Chairman with consent may adjourn meeting.
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	Chairman's casting vote.
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment.
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business.
VOTES OF MEMBERS		
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	Members in arrears not to vote.
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not	Number of votes each member entitled.

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	<p>disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.</p>	
110.	<p>On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.</p>	<p>Casting of votes by a member entitled to more than one vote.</p>
111.	<p>A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.</p>	<p>Vote of member of unsound mind and of minor</p>
112.	<p>Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.</p>	<p>Postal Ballot</p>
113.	<p>A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.</p>	<p>E-Voting</p>
114.	<p>In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<p>Votes of joint members.</p>
115.	<p>Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles</p>	<p>Votes may be given by proxy or by representative</p>
116.	<p>A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as</p>	<p>Representation of a body corporate.</p>

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	its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	
117.	A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	Members paying money in advance.
	A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if share not held for any specified period.
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members.
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	No votes by proxy on show of hands.
120.	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.	Appointment of a Proxy.
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	Form of proxy.
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any	Validity of votes given by proxy notwithstanding

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	power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	death of a member.
123.	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.	Time for objections to votes.
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	Chairperson of the Meeting to be the judge of validity of any vote.
	DIRECTORS	
125.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	Number of Directors
126.	(a) The Following shall be the First Directors of the Company: 1. Vedprakash Devkinandan Chiripal 2. Brijmohan Devkinandan Chiripal (b) The Company in General Meeting may from time to time increase or reduce the number of Directors within the limit fixed as above.	First Directors
127.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
128.	Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.	Nominee Directors.

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	The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	
129.	The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	Appointment of alternate Director.
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.	Additional Director
131.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.	Director’s power to fill casual vacancies.
132.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	Sitting Fees.
133.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	Travelling expenses Incurred by Director on Company's business.
PROCEEDING OF THE BOARD OF DIRECTORS		
134.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	Meetings of Directors.
135.	The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period	Chairperson

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	<p>for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	
136.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	Questions at Board meeting how decided.
137.	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.	Continuing directors may act notwithstanding any vacancy in the Board
138.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	Directors may appoint committee.
139.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	Committee Meetings how to be governed.
140.	A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Chairperson of Committee Meetings
141.	A committee may meet and adjourn as it thinks fit. 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.	Meetings of the Committee
142.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of	Acts of Board or Committee shall be valid notwithstanding

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	such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	defect in appointment.
	RETIREMENT AND ROTATION OF DIRECTORS	
143.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	Power to fill casual vacancy
	POWERS OF THE BOARD	
144.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	Powers of the Board
145.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	Certain powers of the Board
	Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	To acquire any property , rights etc.
	Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	To take on Lease.
	To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the	To erect & construct.

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	company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	
	At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property.
	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company.
	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts.
	To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares.
	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company.
	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings.
	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy & Insolvency
	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the	To issue receipts & give discharge.

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	Company.	
	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	To invest and deal with money of the Company.
	To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon.	To give Security by way of indemnity.
	To determine from time-to-time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.
	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.
	To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees.
	To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such	Transfer to Reserve Funds.

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	<p>special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	
	<p>To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p>To appoint and remove officers and other employees.</p>
	<p>At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	<p>To appoint Attorneys.</p>
	<p>Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds</p>	<p>To enter into contracts.</p>

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	and things in the name and on behalf of the Company as they may consider expedient.	
	From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	To redeem preference shares.	To redeem preference shares.
	To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	<p>To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Section 40 of the Act.</p>	
	To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other	

Sr. No	Particulars	
	<p>institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>	
	<p>To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose of, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	

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	MANAGING AND WHOLE-TIME DIRECTORS	
146.	<p>Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	Powers to appoint Managing/ Wholetime Directors.
147.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	Remuneration of Managing or Whole Time Director.
148.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-today management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and</p>	Powers and duties of Managing Director or Whole-time Director.

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	<p>in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole Time Director or Whole Time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and specially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
	CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER	
149.	<p>Subject to the provisions of the Act, — 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; A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. 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.</p>	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer
	THE SEAL	
150.	<p>The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being,</p>	The seal, its custody and use.

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	<p>and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	
151.	<p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director and of the secretary or such other person as the Board may appoint for the purpose; and that one director and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p> <p>Notwithstanding anything contained in the clause, the use of the Seal of the Company shall not be a mandatory requirement for authenticating any instrument or document by the Company. *</p> <p>*The Seal clause is altered vide special resolution passed at the Extra Ordinary General Meeting held on April 23, 2021.</p>	Deeds how executed.
DIVIDEND AND RESERVES		
152.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	Division of profits.
153.	<p>The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.</p>	The company in General Meeting may declare Dividends.
154.	<p>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</p>	Transfer to reserves

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	<p>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.</p> <p>The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
155.	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.	Interim Dividend.
156.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted.
157.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	Capital paid up in advance not to earn dividend.
158.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid-up.
159.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles.
160.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.
161.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
162.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint holders.
163.	<p>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.</p> <p>Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	Dividends how remitted.
164.	Notice of any dividend that may have been declared shall be	Notice of dividend.

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	given to the persons entitled to share therein in the manner mentioned in the Act.	
165.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.
	CAPITALIZATION	
166.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	Capitalization.
167.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) Generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(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</p>	Fractional Certificates.

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	<p>may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
168.	<p>The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of ₹ 10 per page or any part thereof.</p>	Inspection of Minutes Books of General Meetings.
169.	<p>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.</p> <p>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.</p>	Inspection of Accounts
	FOREIGN REGISTER	
170.	<p>The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.</p>	Foreign Register.
	DOCUMENTS AND SERVICE OF NOTICES	
171.	<p>Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.</p>	Signing of documents & notices to be served or given.
172.	<p>Save as otherwise expressly provided in the Act, a document or</p>	Authentication of

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	proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	documents and proceedings.
	WINDING UP	
173.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>	
	INDEMNITY	
174.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	Directors' and others right to indemnity.
175.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or	Not responsible for acts of others

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	<p>damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	
	SECRECY	
176.	<p>Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>	Secrecy
	<p>No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	Access to property information etc.

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 our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies for filing and also the documents for inspection referred to hereunder, may be inspected at our Registered Office and our Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date, except for such contracts and documents that will be executed subsequent to the completion of the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts to the Issue

1. Issue Agreement dated December 07, 2021 entered into between our Company and the BRLMs.
2. Registrar Agreement dated December 01, 2021 entered into between our Company and the Registrar to the Issue.
3. Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the BRLMs, the Escrow Collection Bank(s), the Public Issue Bank(s), the Refund Bank(s), Sponsor Bank and the Registrar to the Issue.
4. Syndicate Agreement dated [●] entered into among our Company, the BRLMs and Syndicate members.
5. Underwriting Agreement dated [●] entered into between our Company and the Underwriters.
6. Monitoring Agency Agreement dated [●] entered into between our Company and Monitoring Agency.

Material Documents in relation to the Issue

1. Certified copies of Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Our certificate of incorporation dated January 27, 2015 and certificate of incorporation dated August 12, 2021 consequent upon change of name of our Company pursuant to its conversion to a public company.

3. Resolution passed by our Board in relation to the Issue and other related matters dated August 14, 2021 for a total Issue of ₹ 20,000 Lakh.
4. Resolution passed by our Board in relation to the Issue and other related matters dated September 13, 2021 which further enhanced the Issue size to ₹ 35,000 Lakh.
5. Resolution passed by our Shareholders in relation to the Issue and other related matters dated August 18, 2021 for ₹ 20,000 Lakh.
6. Resolution passed by our Shareholders in relation to the Issue and other related matters dated October 11, 2021 which further enhanced the the Issue size to ₹ 35,000 Lakh.
7. Resolutions of the Board of Directors of the Company dated December 09, 2021 taking on record and approving this Draft Red Herring Prospectus.
8. Employment agreement dated August 14, 2021 between our Company and Mr. Brihmohan D Chiripal, Managing Director of our Company.
9. Employment agreement dated August 14, 2021 between our Company and Mr. Vipin Chandra Rajput, Whole-Time Director of our Company.
10. Copies of auditor's reports of our Company in respect of our audited financial statements for Fiscal Years 2019, 2020 and 2021 and for the period ended September 30, 2021.
11. Examination report of our Statutory Auditor dated December 04, 2021 on the Restated Financial Information for Fiscal Years 2019, 2020 and 2021 and for the period ended September 30, 2021 included in this Draft Red Herring Prospectus.
12. Statement of Special Tax Benefits available to our Company and its shareholders under direct and indirect tax laws in India from our Statutory Auditor, dated December 07, 2021.
13. Consents of the Promoters, Directors, Company Secretary and Compliance Officer, chief financial officer, Book Running Lead Managers, Statutory Auditor, Peer Review Auditor, the Syndicate Member(s), Registrar to the Issue, Banker(s) to the company, Banker(s) to the Issue, Sponsor Bank, Refund Bank, legal advisor(s), Underwriter(s) to the Issue, monitoring agency as referred to act, in their respective capacities.
14. Written consent dated November 24, 2021 from M/s. C. N. Somani and Associates, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report, dated December 04, 2021 on our Restated Financial Information; and (ii) their report dated December 07, 2021 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus.
15. Consent dated November 23, 2021 from S. K. Patel, Chartered Engineer, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under the Companies Act, 2013 in respect of his certificate dated October 12, 2021 on the Company's manufacturing capacity and its utilization at certain manufacturing facilities, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

16. Consent letter from ICRA Limited dated November 30, 2021 to rely on and reproduce part or whole of their industry reports and include their name in this Draft Red Herring Prospectus.
17. Due diligence certificate dated December 10, 2021 to SEBI from the BRLMs.
18. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
19. SEBI observation letter dated [●].
20. Tripartite agreement dated September 21, 2021 entered into among our Company, NSDL and the Registrar to the Issue.
21. Tripartite agreement dated September 24, 2021 entered into among our Company, CDSL and the Registrar to the Issue.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

Signed by all the Directors of Our Company

Name and Designation	Signature
Vedprakash Chiripal <i>Chairman and Non - Executive Director</i>	SD/-
Brijmohan D. Chiripal <i>Managing Director</i>	SD/-
Vipin Chandra Rajput <i>Whole – Time Director</i>	SD/-
Dhara Shah <i>Non - Executive Independent Director</i>	SD/-
Debdatta Nandwani <i>Non - Executive Independent Director</i>	SD/-
Susanta Kumar Panda <i>Non - Executive Independent Director</i>	SD/-

Signed by Chief Financial Officer and Company Secretary and Compliance Officer of the Company.

SD/-
Anshuman Srivastava
Chief Financial Officer

SD/-
Deval Bakulkumar Patel
Company Secretary and Compliance Officer

Place: Ahmedabad

Date: December 10, 2021